CENTRAL STATISTICAL OFFICE

CSO Economic Trends

ARTICLES

Regional accounts: further estimates for 1976

The distribution of personal wealth

The economic situation and prospects for 1979

No 301
November 1978
HMSO £1.95 net

A publication of the Government Statistical Service

Release dates of economic statistics to be published in December 1978

This list is published by the Government Statistical Service as a guide to the dates of publication of major economic series in December. The dates are those which Departments, or other organisations concerned, are aiming at, and would normally expect to meet. Exceptionally, there may be a delay resulting from unavoidable statistical problems of collection and compilation. Further enquiries about individual series should be addressed to the source named.

Publication date	Series	Method of release	Source
December 1978			
Mon 4	UK official reserves (November)	PN	HM Treasury
	Wholesale price index numbers (November – provisional)	PN	D of Industry
	Retail sales (October – final)	PN	D of Trade
	Capital issues and redemptions (during the month of November)	PN	Bank of England
	Public sector borrowing requirement and details of local authority borrowing (3rd qtr)	PN	CSO
	Hire purchase and other instalment credit business (October)	PN	D of Trade
Tues 5	London clearing banks' monthly statement (mid-November)	PN	CLCB
	UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-November)	PN	Bank of England
Wed 6	United Kingdom balance of payments (3rd qtr)	PN	CSO
	Housing starts and completions (October)	PN	D of the Environment
	Construction – output (3rd qtr)	PN	D of the Environment
Thurs 7	Provisional figures of vehicle production (November)	PN	D of Industry
	Survey of short-term export prospects (13th survey—October)	PN	D of Trade
Fri 8	Company liquidity survey (3rd qtr)	T and I	D of Industry
Mon 11	Central government financial transactions (including borrowing requirement) (November)	PN	HM Treasury
	Retail sales (November – provisional)	PN	D of Trade
Tues 12	Building Societies' receipts and loans (November)	PN	BSA
Wed 13	Index of industrial production (October – provisional)	PN	CSO
Thurs 14	UK banking sector statistics (3rd qtr)	Bulletin	Bank of England
	Financing of the central government borrowing requirement (3rd qtr)	Bulletin	Bank of England
	Money stock (3rd qtr)	Bulletin	Bank of England
	Balance of payments current account and overseas trade figures (November)	PN	D of Trade/CSO
	UK banks' assets and liabilities and the money stock (mid-November)	PN	Bank of England
	London dollar and sterling certificates of deposit (mid-November)	PN	Bank of England
Fri 15	Usable steel production (November)	PN	BSC/BISPA
	Retail prices index (November)	PN	D of Employment
	Cyclical indicators for the UK economy (November)	PN	CSO
Sun 17	Department for National Savings' monthly progress report (November)	PN	D for National Savings
Mon 18	National Food Survey report on consumption (3rd qtr)	PN	MAFF
	CBI Monthly Trends Inquiry (December)	PN	CBI
Tues 19	Unemployment (December – provisional)	PN	D of Employment
	Unfilled vacancies (December – provisional)	PN	D of Employment
	Gross domestic product (3rd qtr – provisional)	PN	CSO
Wed 20	Basic rates of wages and normal weekly hours (November)	PN	D of Employment
	Monthly index of average earnings (October)	PN	D of Employment
	Construction – new orders (October)	PN	D of the Environment
Thurs 21	Car and commercial vehicle production (November – provisional)	PN	D of Industry
	Capital expenditure by the manufacturing, distributive and service industries (3rd qtr – revised)	PN	D of Industry
	Manufacturers' and distributors' stocks (3rd qtr – revised)	PN	D of Industry
	Bricks and cement production (November)	PN	D of the Environment
Fri 22	Sales and orders in the engineering industries (September)	T and I	D of Industry
	Quarterly analysis of bank advances (mid-November)	PN	Bank of England
	New vehicle registrations (November)	PN	D of Transport
Thurs 28	Energy Trends	PN	D of Energy

PN—*Press Notice* T and I—*Trade and Industry*

CENTRAL STATISTICAL OFFICE

Economic Trends

No 301
November 1978

London: Her Majesty's Stationery Office

© Crown copyright 1978

First published 1978

Brief extracts from this publication may be reproduced provided the source is fully acknowledged. Proposals for reproduction of larger extracts should be addressed to Copyright Section, Her Majesty's Stationery Office, St. Crispins, Duke Street, Norwich NR3 1DN

Government Statistical Service

A service of statistical information and advice is provided to Government by specialist staffs employed in the statistics divisions of individual Departments. Statistics are made generally available through their publications and further information and advice on them can be obtained from the Department concerned.

The sources of the series published in this volume and further information about them are shown in the index. Current telephone numbers of these sources as well as general information about *Economic Trends* can be obtained from the Central Statistical Office, Great George Street, London SW1P 3AQ. Telephone 01-233 6135/6193.

Enquiries about orders and subscriptions should be made to the publisher, Her Majesty's Stationery Office, PO Box 569, London SE1 9NH. Telephone 01-928 6977.

ISBN 0 11 724990 4
ISSN 0013-0400

Introduction

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

It contains three regular sections of tables and charts illustrating trends in the UK economy:

- 'Latest developments' presents the most up-to-date statistical information available during the month, together with a calendar of recent economic events. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier.
- The main section shows the movements of the key economic indicators over the last five years or so. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.
- A further chart shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 18 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology. The regular 'Round-up' feature contains notes on relevant articles appearing in other publications, news of developments in economic statistics and brief synopses of any new publications.

Notes on the tables

1. The main tables and charts in this issue contain information available to the CSO on 20 November. The 'Latest developments' section may contain later information.

2. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.

3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.

4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.

Corrections to the October 1978 issue

Page 73, right-hand column, line 10—
Delete *1966–77* **substitute** *1967–77*

Page 85, footnote 4, final sentence—
Delete 1977 **substitute** 1978
Delete £245 million **substitute** £256 million

Page 95, Table 9 (*continued*)
Column 4 Other taxes 1973 Q2 next to 1,772—
Insert footnote reference 4

Page 112, Table 13 (*continued*)
Column 7 Fuel and light 1977 Q3—
Delete 479 **Substitute** 749

Symbols used:

.. not available or not meaningful

– nil or less than half the final digit shown

§ series for which measures of variability are given on page 76

† indicates that the data have been revised since last issue; the period marked is the earliest in the table to have been revised

Contents

	Page
Introduction	1
Latest developments in the economy	3
Tables and charts	
Gross domestic product at factor cost, total home costs and national disposable income revalued at 1970 market prices	6
Expenditure on the gross domestic product	8
Personal disposable income and consumption	10
Real consumers' expenditure—component categories	10
Retail sales, new registrations of cars and hire purchase debt	12
Shares of income and expenditure	14
Estimates, *per capita*, income, product and spending	14
Gross domestic fixed capital formation by sector and by type of asset	16
Indicators of fixed investment by manufacturing industry	18
Department of Industry inquiry into investment intentions: manufacturing industry	18
Indicators of fixed investment in dwellings	20
Stock changes	22
Stock ratios	22
Inland energy consumption	24
Index of industrial production	26
Index numbers of output	28
Engineering and construction: output and orders	30
Motor vehicle production and steel production and consumption	32
Output per person employed	34
National employment and unemployment	36
Regional unemployment rates	38
Wage rates and earnings	40
Prices	42
Visible trade	44
Balance of payments: current account	46
Analysis of capital transactions and official financing	48
Money stock	50
Domestic credit expansion and money stock.	52
General government receipts and expenditure	54
Financial transactions of the public sector	54
Sector financial accounts	56
Appropriation account of industrial and commercial companies	58
Sources and uses of capital funds of industrial and commercial companies	60
Selected liquid assets of industrial and commercial companies	60
Bank lending to UK residents	62
Banks' reserve ratio	62
Interest rates, security prices and yields	64
Cyclical indicators for the UK economy	66
Measures of variability of selected economic series	76
Articles	
Regional accounts: further estimates for 1976	79
The distribution of personal wealth	101
The economic situation and prospects for 1979	119
Round-up: what's new in economic statistics	123
Index of Sources	124
Other	
Release dates of economic statistics to be published in December	*inside front cover*
Articles published in recent *Economic Trends*	*inside back cover*

Latest developments in the economy[1]

Data available at 21 November 1978

Output

The preliminary estimate of gross domestic product for the third quarter, based on output data, is about ½ per cent higher than for the second quarter. The increase was mainly in the service trades, particularly distribution. Industrial output was little changed compared with the second quarter. Output of the consumer goods industries and of the intermediate goods industries both fell by ½ per cent, but output of the investment goods industries rose by 1 per cent.

Steel production in October was a little higher than in September and was 7 per cent more than a year earlier.

There was a marked fall in production of both cars and commercial vehicles in October, reflecting mainly the effects of industrial disputes. In the three months ending October, car production was down by 1 per cent compared with the previous three months but commercial vehicle production showed a fall of 15 per cent.

According to the Industrial Trends Survey conducted by the Confederation of British Industry in October, there are 'signs of a modest improvement in optimism about the general business situation after a period of eighteen months in which this indicator had shown little change. A very slight growth is suggested in the volume of total new orders, mainly among the smaller firms and these producing consumer goods. The proportion of companies working below capacity has fallen to its lowest level in four years.

Housebuilding

In the third quarter of 1978, housing starts in Great Britain were 10 per cent down on the previous quarter and 9 per cent less than in the third quarter of 1977. Total completions in the third quarter were 4 per cent down on the previous quarter and 11 per cent less than a year earlier.

Consumers' expenditure

The latest estimates suggest that the volume of consumers' expenditure in the third quarter was 2 per cent more than in the second quarter and some 5¾ per cent higher than in the third quarter of 1977. Between the second and third quarters there were increases in expenditure on food, fuel and light, clothing and footwear, and durable household goods, but there was a small reduction in expenditure on motor vehicles.

Provisional estimates suggest that the volume of retail sales in October was about the same as in September. In the three months ending October, sales were ½ per cent higher than in the preceding three months.

Investment intentions

The latest CBI survey indicates that capital authorisations in private manufacturing industry are still rising but the growth is less strong than it was in 1977. The implication for the volume of private manufacturing investment is thought to be a growth of around 10–15 per cent in 1978 compared with 1977, with a further increase of 5–10 per cent in 1979. Around three-quarters of responding companies continue to report having adequate capacity to meet expected demand.

Unemployment and vacancies

The number of unemployed in the United Kingdom (excluding school leavers) fell by 20,700 in November to 1,338,900.

Vacancies notified to employment offices rose by 2,900 in November to 231,300.

Earnings and wage rates

Average earnings of employees in all industries and services in Great Britain increased by 15 per cent between September 1977 and September 1978. This estimate is based on the new series of monthly index numbers of average earnings for the whole economy (not seasonally adjusted). The older series, which covers the production industries and some services and is seasonally adjusted, rose by 1·4 per cent between August and September.

The index of basic weekly wage rates (not seasonally adjusted) rose during October and, at the end of that month, was 17·4 per cent higher than a year earlier. Movements in this index have been considerably influenced by the two stages of the national engineering agreement which took effect in April and October 1978 after an unusually long standstill since February 1976.

Prices (not seasonally adjusted)

The index of retail prices for all items in October was 201·1 (January 1974=100). This represents an increase of 0·4 per cent on September and of 7·8 per cent on October 1977.

The provisional wholesale price index for home sales of manufactured products increased by ½ per cent in October. The most significant price increases were in the paper, printing and publishing and the mechanical engineering sectors. Prices of milk products also rose. The increase in the index for all manufactured products measured over a twelve-month period was 7¾ per cent for the third successive month.

Prices of materials and fuel purchased by manufacturing industry increased by ½ per cent in October to a level 1½ per cent higher than a year earlier.

Trade and the balance of payments

In the three months ended October, there was a visible trade deficit of £28 million, following one of £470 million in the previous three months. The small surplus on trade in the more erratic items improved by £72 million and the deficit on trade in oil was reduced by £54 million. The remainder of the improvement was spread widely over the major

[1] All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

commodity groups. The volume of exports rose by 3 per cent (4 per cent excluding the more erratic items) while the volume of imports rose only marginally (but by 2½ per cent excluding the more erratic items). The terms of trade index rose by 1 per cent.

In October, the current account is estimated to have been in surplus by £209 million with a surplus on trade in goods of £119 million. The balance on invisibles is now projected to be running at a surplus of £90 million.

Money stock

During the four weeks ended 18 October, the broad version of the money stock (sterling M_3) rose by £520 million or 1·1 per cent. The narrower version (M_1) rose by £250 million or 1 per cent. In the six months since mid-April, sterling M_3 has grown at an annual rate of about 7¼ per cent.

Domestic credit expansion in the latest period was £535 million. Of this, bank lending in sterling to the private sector accounted for some £325 million — a rather larger rise than in each of the two previous months. The public sector contribution was about £200 million. The central government borrowing requirement was lower in this period at £530 million. Against this, net purchases of central government debt by the non-bank private sector totalled £210 million, and the net contribution of the rest of the public sector was negative.

Economic events

October

24 In the United States, President Carter announced new anti-inflation measures, including voluntary guidelines of 7 per cent on pay increases and of 5¼ per cent on price increases. The dollar continued its decline.

30 The UK repaid early a further $1 billion to the International Monetary Fund, bringing the total early repayment of foreign debt during 1978 to approximately $3·5 billion.
The dollar's decline brought sterling to its highest level since September 1975, at $2·1045.

31 Union negotiators rejected Ford's 'final' offer (said to be worth about 17 per cent in pay and benefits).

November

1 The US Treasury Secretary announced a major package of measures to support the dollar, including:
- Discount rate increased from 8½ per cent to 9½ per cent.
- United States to draw $3 billion from its entitlement at the IMF.
- Sale of $2 billion of Special Drawing Rights allocation from the IMF.
- A 2 per cent supplementary reserve requirement from commercial banks.
- Doubling of monthly gold sales.
- Issue of up to $10 billion in foreign-currency denominated US securities abroad.
- Total available new support for the dollar, $30 billion.

2 Barclays Bank increased its base lending rate by 1½ per cent to 11½ per cent. The other clearing banks later followed suit.

3 The Chancellor gave written and oral evidence to the House of Commons' Expenditure Committee on the proposed European Monetary System.
Commercial banks in the United States again increased prime rates by ¼ per cent to 10¾ per cent.

6–7 The Confederation of British Industry held its second annual conference at Brighton.

7 Bakery workers in England and Wales began a national strike over their pay claim.

9 Minimum Lending Rate increased from 10 per cent to 12½ per cent. The Chancellor announced that the target for the annual increase in the money supply (sterling M_3) was to be continued at 8–12 per cent over the 12 months to mid-October 1979, representing a slight tightening of monetary stance. In the last six months the growth of M_3 had been below the target range.

10 The Building Societies' Association announced a 2 per cent increase in mortgage interest to 11¾ per cent.

13 The Finance Act's reduction of 1p in the basic rate of income tax and the effect of the increased thresholds for higher rates of tax began to reach pay packets.
The up-rating of Social Security benefits, announced in April, came into effect, with child benefit increased by 70p to £3·00 per week.
The National Westminster Bank led the clearing banks in raising base lending rates from 11½ per cent to 12½ per cent.

14 After five weeks of private talks between Government Ministers and TUC leaders, a joint statement on pay and prices and a set of guidelines for pay negotiations failed to pass the TUC General Council.

15 The Treasury published its latest economic forecast up to the end of 1979. A growth rate of 2 per cent during 1979 was forecast.

Selected monthly indicators[1]

	Seasonally adjusted					Unadjusted				Seasonally adjusted			
	1971 =100	Thousands	1975 =100	Thousands		Jan. 1976 =100	1975 =100	Jan. 1974 =100	December 1971 =100	£ million			
	Volume of retail sales (GB)[2, 3] §	New registrations of cars (GB) §	Index of industrial production[4] §	Unemployment[5] §	Vacancies[6] §	Average earnings New series (whole economy: GB)	Wholesale prices of materials and fuel[7]	General index of retail prices (all items)	Sterling effective exchange rate	Balance of payments current account: Exports (f.o.b.) §	Imports (f.o.b.) §	Current balance	Money stock sterling M_3
1977 J	104·5	94·7	105·3	1,329·9	. .[8]	110·9	143·1	172·4	61·8	2,482	3,000		39,670
F	104·0	112·7	105·6	1,330·0	148·8	111·0	144·3	174·1	61·7	2,481	2,672	−495	39,460
M	101·7	103·8	105·8	1,328·5	154·0	113·3	147·0	175·8	61·9	2,549	2,813		39,560
A	102·3	106·0	105·1	1,333·8	155·5	113·1	149·3	180·3	61·7	2,584	2,765		40,330
M	103·2	107·8	106·9†	1,323·8	159·4	114·9	148·8	181·7	61·6	2,592	2,878	−297	40,660
J	102·1	95·3	104·6	1,364·3	158·1	115·4	148·2	183·6	61·5	2,751	3,046		40,960
J	104·8	112·6	106·0	1,398·5	155·2	117·0	147·9	183·8	61·0	2,798	2,971		41,320
A	104·7	116·4	106·5	1,410·3	153·4	115·7	145·9	184·7	62·0	2,855	2,703	+574	41,290
S	103·5	107·1	106·5	1,434·9	147·2	116·6	145·6	185·7	62·4	2,903	2,851		41,990
O	102·7	116·1	105·7	1,431·5	156·0	117·9	143·7	186·5	62·5	2,747	2,714		42,550
N	103·1	108·3	105·6	1,429·6	159·4	120·1	142·0	187·4	63·6	2,664	2,611	+507	42,840
D	106·9	104·2	106·4	1,422·3	165·0	121·7	141·0	188·4	63·8	2,776	2,867		43,280†
1978 J	104·9	124·8	106·9	1,419·2	180·3	121·5	139·4	189·5	66·0	2,610	2,964		44,310
F	106·8	119·8	107·4	1,409·0	187·0	122·7	139·1	190·6	66·0	2,987†	2,949	−317	45,360
M	107·0	142·5	107·1	1,400·0	195·8	125·0	142·0	191·8	64·1	2,817	3,109		45,660
A	106·7	131·8	111·4	1,387·1	203·7	127·2	145·1	194·6	61·8	2,995	2,809†		46,810
M	108·4	124·2	110·1	1,366·4	209·9	129·4	146·8	195·7	61·5	2,863	3,098	+198	47,210
J	108·7	132·7	111·7	1,364·7	217·4	133·1	147·0	197·2	61·3	2,924	3,025		47,360
J	111·4	107·5	111·1	1,371·4	211·0	133·6	145·8	198·1	62·1	3,050	3,184		47,870
A	111·8	145·6	110·9	1,392·1	209·3	131·7†	144·2	199·4	62·4	3,027	2,959		47,400
S	109·5†	143·7	109·8	1,378·3	218·7	134·2[10]	144·8[10]	200·2	62·7	3,057	3,272		47,980
O	109·5[10]			1,359·6	228·4		145·7[10]	201·1	62·5	3,120	3,001		48,510
N				. .									
D													

Percentage change, latest three months on previous three months

1978 J	+ 1·4	− 0·7	—	− 0·1	+10·5	+ 3·8	− 2·9	+ 1·5	+ 3·5	− 5·3	+ 2·1	. .	+ 3·7†
F	+ 3·1	+ 5·2	+ 0·9	− 1·1	+15·1	+ 3·2	− 2·7	+ 1·6	+ 3·9	+ 0·7	+ 7·4	. .	+ 4·4
M	+ 1·8	+17·8	+ 1·2	− 1·3	+17·2	+ 2·6	− 1·5	+ 1·7	+ 3·3	+ 2·8†	+10·1	. .	+ 5·2
A	+ 1·6	+16·8	+ 2·2†	− 1·8	+16·2	+ 3·2	+ 0·9	+ 2·1	− 0·8	+ 9·3	+ 5·0†	. .	+ 5·7
M	+ 0·9	+14·2	+ 2·5	− 2·3	+14·5	+ 4·3	+ 3·4	+ 2·4	− 4·3	+ 3·6	+ 2·7	. .	+ 5·1
J	+ 1·6	+ 0·4	+ 3·7	− 2·6	+12·1	+ 5·5	+ 4·4	+ 2·7	− 5·9	+ 4·4	− 1·0	. .	+ 4·5
J	+ 2·4	− 7·5	+ 2·1	− 2·2	+ 8·8	+ 5·7	+ 3·1	+ 2·4	− 3·7	+ 0·4	+ 5·0	. .	+ 3·3
A	+ 3·0	− 3·2	+ 1·6	− 0·6	+ 4·6	+ 4·4	+ 0·7	+ 2·2	− 0·9	+ 3·8	+ 1·7	. .	+ 2·1
S	+ 2·6†	+ 2·1	− 0·4	+ 0·6	+ 1·3	+ 2·5[10]	− 0·9[10]	+ 1·7	+ 1·4	+ 4·0	+ 5·4	. .	+ 1·3
O	+ 0·7[10]			+ 0·7	+ 2·8		− 1·1[10]	+ 1·6	+ 1·5	+ 4·2	− 0·8		+ 1·0
N													
D													

Percentage change, latest three months on corresponding period of previous year

1978 J	− 0·3	+ 3·9	+ 1·4†	. .	. .	+ 9·2	+ 0·2	+11·7	+ 6·6	+11·1	+ 0·3	. .	+ 8·5
F	+ 1·6	+ 9·9	+ 1·6	+ 6·8	. .	+ 9·8	− 1·6	+10·5	+ 6·4	+13·0†	+ 5·4	. .	+11·4†
M	+ 2·9	+24·3	+ 1·5	+ 6·0	. .	+10·1	− 3·2	+ 9·5	+ 5·8	+12·0	+ 6·3	. .	+14·0
A	+ 4·1	+22·2	+ 3·0	+ 5·1	+28·0	+11·1	− 3·3	+ 8·8	+ 3·6	+15·6	+ 7·5†	. .	+15·5
M	+ 4·9	+25·4	+ 3·4	+ 4·2	+30·0	+11·8	− 2·5	+ 8·2	+ 1·2	+12·3	+ 6·6	. .	+15·9
J	+ 5·4	+25·7	+ 5·2	+ 2·4	+33·4	+13·5	− 1·7	+ 7·7	− 0·1	+10·8	+ 2·8	. .	+15·9
J	+ 5·9	+15·4	+ 4·9	+ 0·4	+35·0	+14·1†	− 1·2	+ 7·6	− 0·4	+ 8·5	+ 4·6	. .	+15·9
A	+ 6·6	+19·0	+ 5·2	− 1·1	+36·6	+14·5	− 1·1	+ 7·7	+ 0·7	+ 7·1	+ 5·1	. .	+15·4
S	+ 6·2†	+18·1	+ 4·0	− 2·4	+40·2	+14·4[10]	− 1·0[10]	+ 7·9	+ 1·0	+ 6·8	+10·4	. .	+15·0
O	+ 6·4			− 3·4	+43·8		− 0·1[10]	+ 7·9	+ 0·4	+ 8·2	+11·7	. .	+14·4
N												. .	
D												. .	

[1] Data given may not be wholly consistent with that shown elsewhere in the publication.
[2] This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
[3] See footnote [2] on page 12.
[4] All industries covered.
[5] Unemployed excluding school-leavers.
[6] Vacancies notified to employment offices.
[7] Purchased by manufacturing industry.
[8] Figure not available due to industrial action.
[9] Owing to industrial action by some Department of Employment staff the provisional estimate is based on returns or estimates received from only just over half the country.
[10] Provisional.

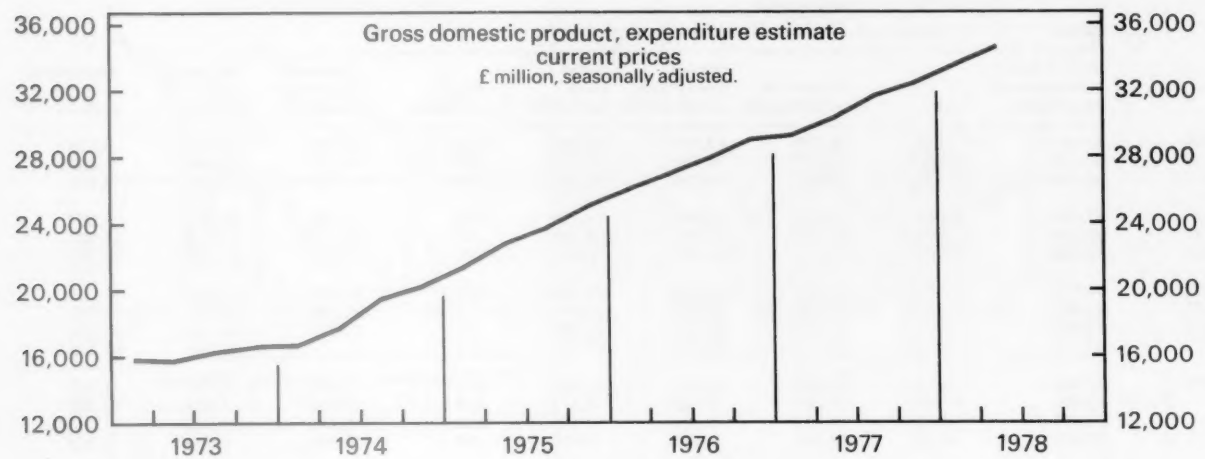
Tables and charts

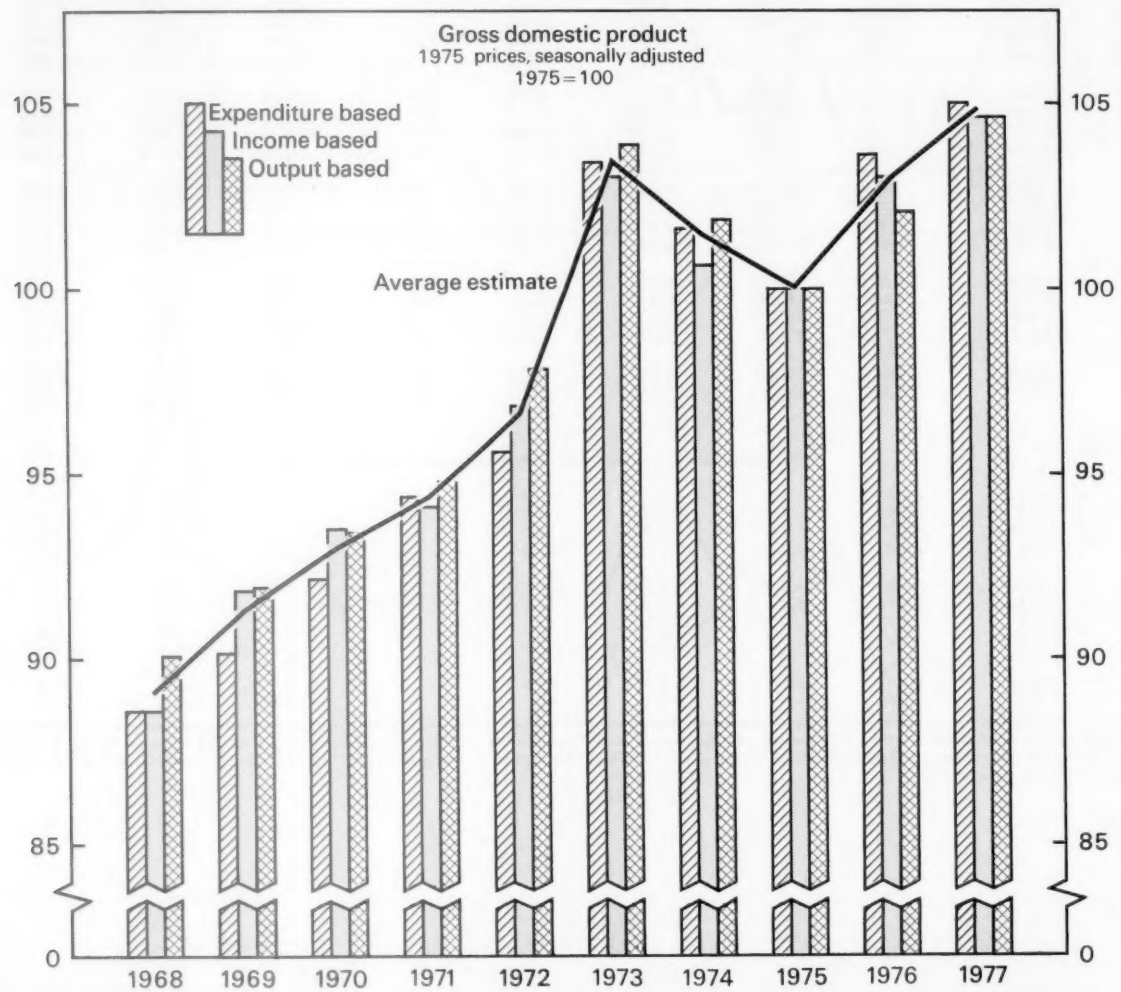
Gross domestic product at factor cost, total home costs and national disposable income revalued at 1975 market prices[1]

Seasonally adjusted

	Gross domestic product at factor cost									Implied Index of total home costs	National disposable income[2]
	At current prices				At 1975 factor cost						At 1975 market prices
	£ million		1975 =100		£ million	1975 =100				1975 =100	1975 =100
	Based on:		Based on:		Based on:	Based on:				Based on:	
	expenditure data	income data	expenditure data	income data	expenditure data	expenditure data §	income data[3] §	output data §	Average estimate §	expenditure data	Average estimate
1968	37,411	37,183	40·4	40·4	81,964	88·6	88·6	90·1	89·1	45·6	91·9
1969	39,453	39,890	42·6	43·4	83,468	90·2	91·8	91·9	91·3	47·3	94·5
1970	43,445	43,794	47·0	47·6	85,264	92·2	93·5	93·4	93·0	51·0	97·1
1971	49,264	48,857	53·3	53·1	87,297	94·4	94·2	94·8	94·5	56·4	99·0
1972	54,963	55,289	59·4	60·1	88,489	95·7	96·8	97·8	96·7	62·1	101·7
1973	63,946	63,301	69·1	68·8	95,686	103·4	103·0	103·8	103·4	66·8	106·5
1974	73,722	72,517	79·7	78·9	94,116	101·7	100·7	101·9	101·4	78·3	100·6
1975	92,507	91,952	100·0	100·0	92,507	100·0	100·0	100·0	100·0	100·0	100·0
1976	109,499	108,187	118·4	117·7	95,860	103·6	103·0	102·1	102·9	114·2	102·8
1977	123,353	122,270	133·3	133·0	97,119	105·0	104·7	104·7	104·8	127·0	103·9
1973 *1*	15,726	15,198	68·0	66·1	24,363	105·3	102·4	104·1	104·0	64·5	108·2
2	15,560	15,665	67·3	68·2	23,880	103·3	104·6	103·6	103·8	65·2	
3	16,122	16,090	69·7	70·0	23,941	103·5	103·9	104·1	103·9	67·3	105·0
4	16,538	16,348	71·5	71·1	23,502	101·6	101·1	103·7	102·1	70·4	
1974 *1*	16,542	15,959	71·5	69·4	22,859	98·9	96·0	100·1	98·3	72·4	99·9
2	17,619	17,317	76·2	75·3	23,780	102·8	101·7	102·9	102·5	74·1	
3	19,463	19,141	84·2	83·3	24,123	104·3	103·3	103·3	103·6	80·7	101·3
4	20,098	20,100	86·9	87·5	23,354	101·0	101·7	101·5	101·4	86·0	
1975 *1*	21,342	21,204	92·3	92·2	22,963	99·3	99·3	101·3	99·9	92·9	100·2
2	22,651	22,425	97·9	97·6	23,292	100·7	100·3	99·8	100·3	97·2	
3	23,553	23,535	101·9	102·4	22,957	99·3	99·8	99·2	99·4	102·6	99·8
4	24,961	24,788	107·9	107·8	23,295	100·7	100·6	99·8	100·4	107·2	
1976 *1*	25,939	25,238	112·2	109·8	23,853	103·1	101·0	101·0	101·7	108·7	102·4
2	26,780	26,732	115·8	116·3	23,812	103·0	103·4	101·7	102·7	112·5	
3	27,837	27,634	120·4	120·2	24,050	104·0	103·9	101·9	103·3	115·7	103·1
4	28,943	28,583	125·1	124·3	24,145	104·4	103·7	103·9	104·0	119·9	
1977 *1*	29,171	29,019	126·2	126·3	23,886	103·3	103·3	104·6	103·7	122·1	102·6
2	30,114	30,208	130·2	131·4	24,112	104·2	105·2	104·2	104·6	124·9	
3	31,622	31,221	136·7	135·8	24,448	105·7	105·0	104·9	105·2	129·4	105·1
4	32,446	31,822	140·3	138·4	24,673	106·7	105·3	105·2	105·7	131·5	
1978 *1*	33,523	32,764	145·0	142·5	24,713	106·9	105·1	106·1	106·0	135·7	106·6
2	34,593	33,609	149·6	146·2	25,087	108·5	106·0	108·2	107·6	137·9	
	Percentage change, period on corresponding period of previous year										
1976 *1*	*+21·5*	*+19·0*	*+21·5*	*+19·0*	*+3·9*	*+3·9*	*+1·7*	*−0·3*	*+1·8*	*+17·0*	*+2·2*
2	*+18·2*	*+19·2*	*+18·2*	*+19·2*	*+2·2*	*+2·2*	*+3·1*	*+1·9*	*+2·4*	*+15·7*	
3	*+18·2*	*+17·4*	*+18·2*	*+17·4*	*+4·8*	*+4·8*	*+4·1*	*+2·7*	*+3·9*	*+12·8*	*+3·3*
4	*+16·0*	*+15·3*	*+16·0*	*+15·3*	*+3·6*	*+3·6*	*+3·1*	*+4·1*	*+3·6*	*+11·8*	
1977 *1*	*+12·5*	*+15·0*	*+12·5*	*+15·0*	*+0·1*	*+0·1*	*+2·3*	*+3·6*	*+2·0*	*+12·3*	*+0·2*
2	*+12·4*	*+13·0*	*+12·4*	*+13·0*	*+1·3*	*+1·3*	*+1·7*	*+2·5*	*+1·9*	*+11·0*	
3	*+13·6*	*+13·0*	*+13·6*	*+13·0*	*+1·7*	*+1·7*	*+1·1*	*+2·9*	*+1·8*	*+11·8*	*+1·9*
4	*+12·1*	*+11·3*	*+12·1*	*+11·3*	*+2·2*	*+2·2*	*+1·5*	*+1·3*	*+1·6*	*+ 9·7*	
1978 *1*	*+14·8*	*+12·9*	*+14·8*	*+12·9*	*+3·5*	*+3·5*	*+1·7*	*+1·4*	*+2·2*	*+11·0*	*+3·9*
2	*+14·9*	*+11·3*	*+14·9*	*+11·3*	*+4·0*	*+4·0*	*+0·8*	*+3·8*	*+2·9*	*+10·4*	

[1] The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] Introduced in an article on page xxviii *Economic Trends*, No. 255, January 1975.
[3] Income data deflated by the implied index of total home costs.


Gross domestic product, expenditure estimate
current prices
£ million, seasonally adjusted.
36,000
32,000
28,000
24,000
20,000
16,000
12,000
1973
1974
1975
1976
1977
1978


Gross domestic product
1975 prices, seasonally adjusted
1975 = 100
Expenditure based
Income based
Output based
Average estimate
105
100
95
90
85
0
1968
1969
1970
1971
1972
1973
1974
1975
1976
1977

8

Expenditure on the gross domestic product

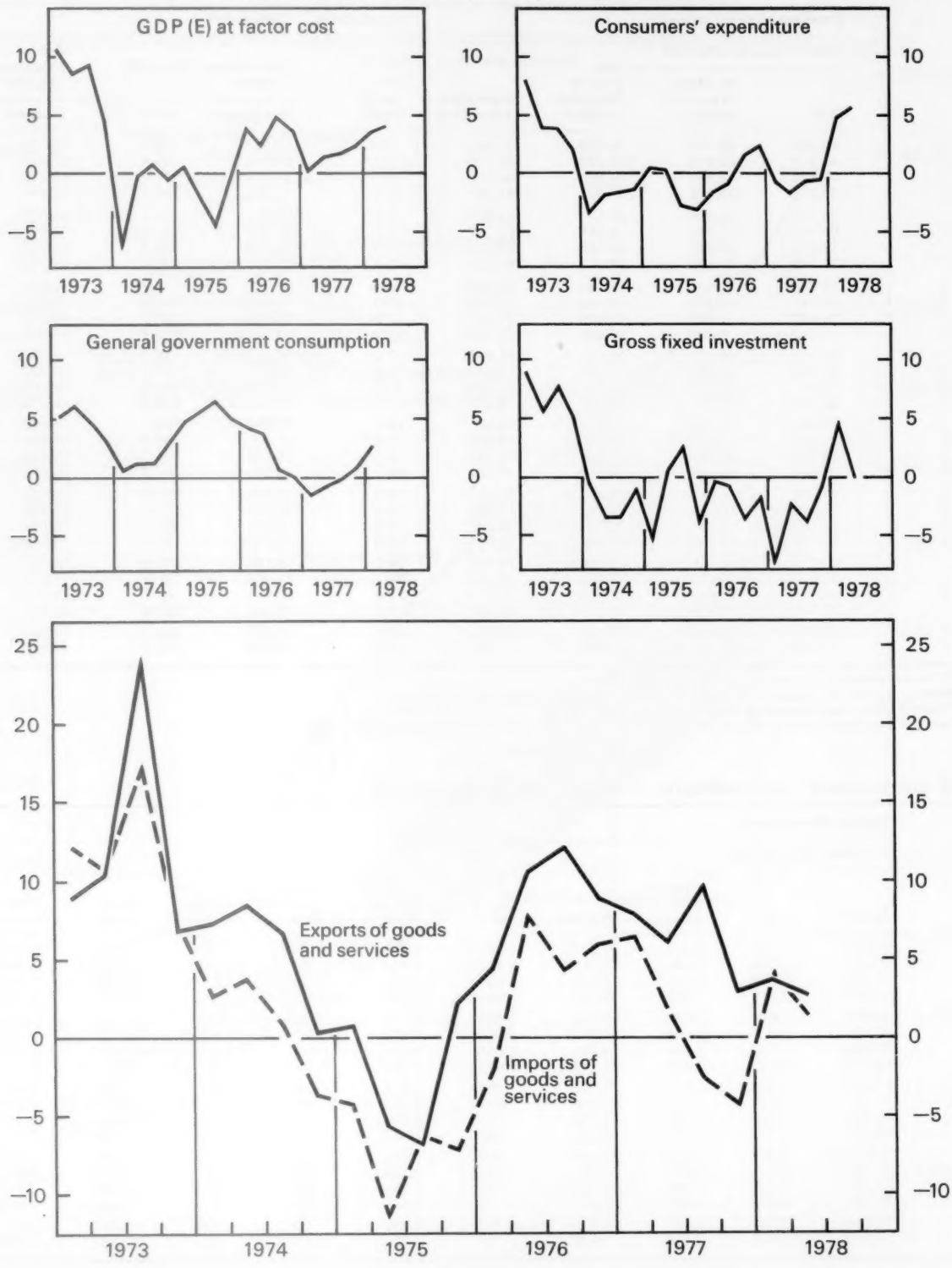
Seasonally adjusted

£ million, 1975 prices

	Gross domestic product at factor cost (expenditure based)	Final expenditure on goods and services at market prices							
		Total	Consumers' expenditure§	General government consumption	Gross fixed investment[1]§	Stock building§	Exports of goods and services§	Imports of goods and services[1]§	Adjustment to factor cost
1968	81,964	113,297	55,759	19,165	19,287	920	18,498	22,222	8,870
1969	83,468	115,340	56,137	18,808	19,360	951	20,321	22,936	8,838
1970	85,264	118,691	57,561	19,076	19,845	979	21,437	24,147	9,179
1971	87,297	122,237	59,340	19,642	20,209	235	23,007	25,307	9,527
1972	88,489	126,713	62,762	20,451	20,240	73	23,293	27,773	10,257
1973	95,686	137,662	65,497	21,426	21,609	2,983	26,147	31,043	10,933
1974	94,116	136,066	64,070	21,746	21,164	1,462	27,624	31,329	10,621
1975	92,507	131,957	63,192	22,930	20,817	−1,925	26,943	29,028	10,422
1976	95,860	136,872	63,320	23,416	20,489	261	29,386	30,183	10,829
1977	97,119	138,193	62,732	23,315	19,738	1,051	31,357	30,276	10,798
1973 *1*	24,363	34,595	16,558	5,337	5,534	901	6,265	7,520	2,712
2	23,880	34,292	16,253	5,320	5,321	948	6,450	7,642	2,770
3	23,941	34,508	16,385	5,381	5,399	698	6,645	7,823	2,744
4	23,502	34,267	16,301	5,388	5,355	436	6,787	8,058	2,707
1974 *1*	22,859	33 296	15,964	5,365	5,502	− 256	6,721	7,724	2,713
2	23,780	34,308	15,923	5,383	5,142	861	6,999	7,929	2,599
3	24,123	34,681	16,112	5,446	5,217	816	7,090	7,905	2,653
4	23,354	33,781	16,071	5,552	5,303	41	6,814	7,771	2,656
1975 *1*	22,963	33,019	16,020	5,624	5,203	− 604	6,776	7,397	2,659
2	23,292	32,936	15,950	5,683	5,170	− 467	6,600	7,016	2,628
3	22,957	32,937	15,646	5,796	5,353[1]	− 462	6,604	7,405[1]	2,575
4	23,295	33,065	15,576	5,827	5,091	− 392	6,963	7,210	2,560
1976 *1*	23,853	33,760	15,724	5,857	5,187	− 89	7,081	7,251	2,656
2	23,812	34,087	15,785	5,893	5,137[1]	− 34	7,306	7,568[1]	2,707
3	24,050	34,474	15,884	5,839	5,168[1]	173	7,410	7,721[1]	2,703
4	24,145	34,551	15,927	5,827	4,997	211	7,589	7,643	2,763
1977 *1*	23,886	34,304	15,619	5,771	4,794	475	7,645	7,722	2,696
2	24,112	34,448	15,495	5,841	5,025[1]	336	7,751	7,697[1]	2,639
3	24,448	34,705	15,777	5,827	4,965	− 7	8,143	7,531	2,726
4	24,673	34,736	15,841	5,876	4,954	247	7,818	7,326	2,737
1978 *1*	24,713	35,544	16,361	5,919	5,015	324	7,925	8,041	2,790
2	25,087	35,705	16,373	5,959	5,024	386	7,963	7,815	2,803
		Percentage change, quarter on corresponding quarter of previous year							
1976 *1*	*+3·9*	*+2·2*	*−1·8*	*+4·1*	*−0·3*	..	*+ 4·5*	*−2·0*	*—*
2	*+2·2*	*+3·5*	*−1·0*	*+3·7*	*−0·6*	..	*+10·7*	*+7·9*	*+3·0*
3	*+4·8*	*+4·7*	*+1·5*	*+0·7*	*−3·5*	..	*+12·2*	*+4·3*	*+5·0*
4	*+3·6*	*+4·5*	*+2·3*	*—*	*−1·8*	..	*+ 9·0*	*+6·0*	*+7·9*
1977 *1*	*+0·1*	*+1·6*	*−0·7*	*−1·5*	*−7·6*	..	*+ 8·0*	*+6·5*	*+1·5*
2	*+1·3*	*+1·1*	*−0·8*	*−0·9*	*−2·2*	..	*+ 6·1*	*+1·7*	*−2·5*
3	*+1·7*	*+6·7*	*−0·7*	*−0·2*	*−3·9*	..	*+ 9·9*	*−2·5*	*+0·9*
4	*+2·2*	*+5·4*	*−0·5*	*+8·4*	*−0·9*	..	*+ 3·0*	*−4·1*	*−0·9*
1978 *1*	*+3·5*	*+3·6*	*+4·8*	*+2·6*	*+4·6*	..	*+ 3·7*	*+4·1*	*+3·5*
2	*+4·0*	*+3·6*	*+5·7*	*+1·4*	*—*	..	*+ 2·7*	*+1·5*	*+6·2*

[1] Including extra capital formation in imported oil platforms and related equipment delivered during the quarter but not adjusted for seasonality. The extra deliveries are approximately £200 million in 3rd quarter 1975, £150 million in 2nd quarter 1976, £125 million in 3rd quarter 1976 and £225 million in 2nd quarter of 1977.

1975 prices, seasonally adjusted, percentage change on year earlier.



10

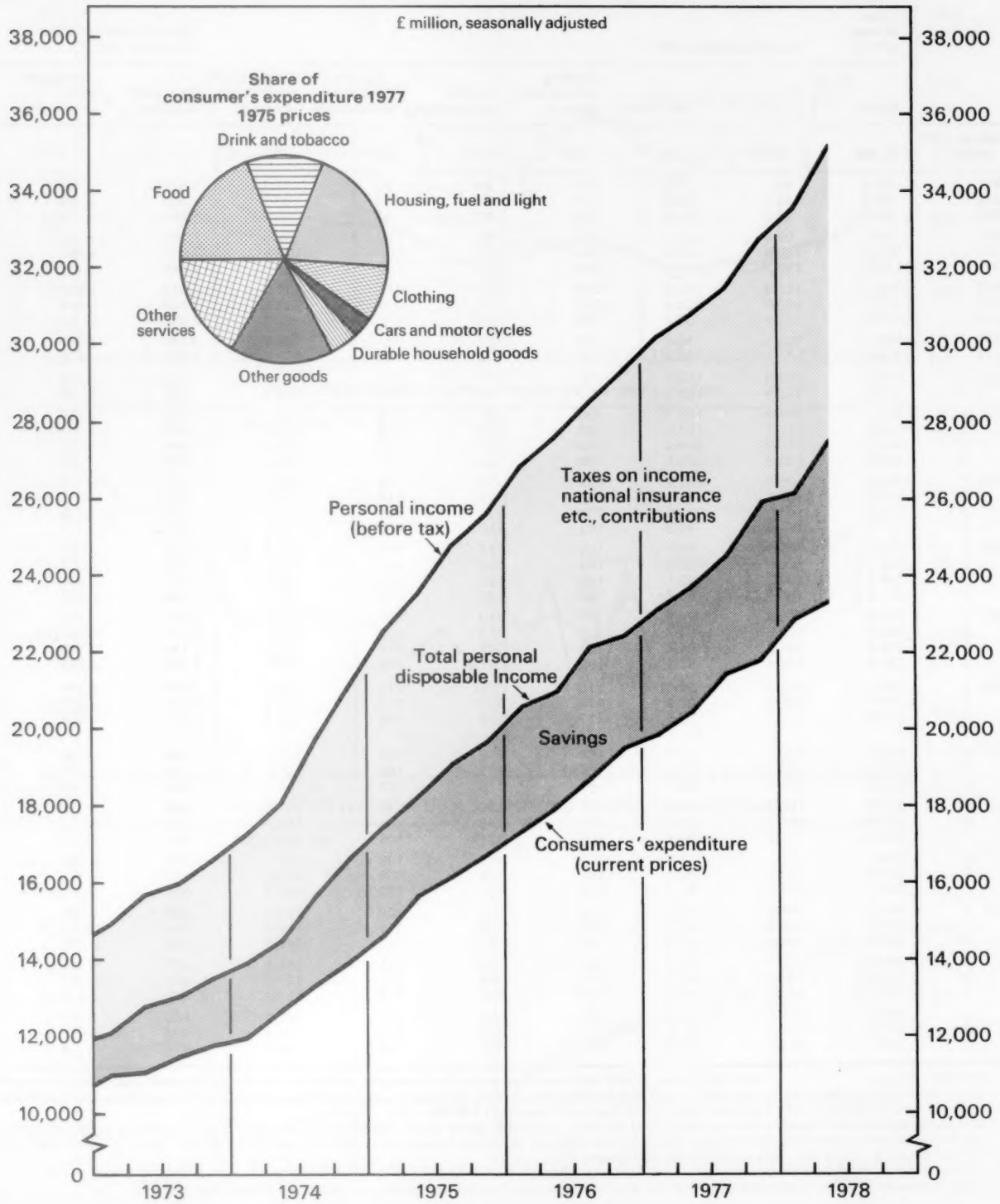
Personal disposable income and consumption

	Seasonally adjusted							
	£ million, current prices				Percentage	1975 prices		
	Personal income before tax					Real personal disposable income [4]		Real consumers' expenditure §
	Total [1]	*of which:* Wages and salaries	Total personal disposable income [2]	Consumers expenditure	Personal saving ratio [3]	£ million §	1975=100	£ million
1970	43,260	26,975	34,738	31,660	8·9	63,157	84·9	57,561
1971	47,979	28,676	38,723	35,370	8·7	64,965	87·4	59,340
1972	54,486	33,136	44,504	39,856	10·4	70,081	94·2	62,762
1973	63,120	38,018	51,303	45,187	11·9	74,362	100·0	65,497
1974	76,165	45,916	60,614	51,863	14·4	74,881	100·7	64,070
1975	96,457	58,974	74,361	63,192	15·0	74,361	100·0	63,192
1976	112,216	66,932	86,155	73,538	14·6	74,184	99·7	63,320
1977	125,143	73,523	97,312	83,530	14·2	73,082	98·3	62,732
1973 *1*	14,880	8,949	12,049	10,992	8·8	18,158	97·7	16,558
2	15,681	9,445	12,756	11,035	13·5	18,795	101·1	16,253
3	15,970	9,687	13,005	11,411	12·2	18,681	100·5	16,385
4	16,589	9,937	13,493	11,749	12·9	18,728	100·7	16,301
1974 *1*	17,249	10,197	13,902	11,990	13·8	18,522	99·6	15,964
2	18,069	10,928	14,460	12,639	12·6	18,229	98·1	15,923
3	19,717	11,876	15,643	13,320	14·8	18,934	101·8	16,112
4	21,130	12,915	16,609	13,914	16·2	19,196	103·3	16,071
1975 *1*	22,497	13,904	17,443	14,632	16·1	19,093	102·7	16,020
2	23,551	14,347	18,201	15,660	14·0	18,533	99·7	15,950
3	24,803	15,153	19,105	16,180	15·3	18,470	99·3	15,646
4	25,606	15,570	19,612	16,720	14·7	18,265	98·3	15,576
1976 *1*	26,832	15,999	20,595	17,381	15·6	18,625	100·2	15,724
2	27,587	16,545	20,971	17,966	14·3	18,419	99·1	15,785
3	28,495	17,024	22,185	18,677	15·8	18,861	101·4	15,884
4	29,302	17,364	22,404	19,514	12·9	18,279	98·3	15,927
1977 *1*	30,177	17,746	23,116	19,859	14·1	18,183	97·8	15,619
2	30,771	18,195	23,697	20,454	13·7	17,954	96·6	15,495
3	31,434	18,483	24,522	21,421	12·6	18,063	97·1	15,777
4	32,761	19,099	25,977	21,796	16·1	18,882	101·6	15,841
1978 *1*	33,544	19,648	26,152	22,854	12·6	18,722	100·7	16,361
2	35,021	20,663	27,500	23,300	15·3	19,324	103·9	16,373

[1] Before providing for depreciation and stock appreciation.
[2] Before providing for depreciation, stock appreciation and additions to tax reserves.
[3] Personal saving as a percentage of personal disposable income.
[4] Personal disposable income revalued by the implied consumers' expenditure deflator (1975=100).

Real consumers' expenditure — component categories

	Seasonally adjusted									
	£ million, 1975 prices									
	Total §	Food	Alcoholic drink and tobacco	Housing	Fuel and light	Clothing including footwear	Durable household goods	Cars and motor cycles	Other goods	Other services
1970	57,561	12,072	6,374	8,502	2,782	4,634	2,226	1,759	8,702	10,813
1971	59,340	12,117	6,520	8,711	2,752	4,713	2,427	2,345	8,985	11,036
1972	62,762	12,025	6,961	8,905	2,854	4,991	2,926	2,811	9,858	11,566
1973	65,497	12,210	7,694	9,062	2,930	5,242	3,270	2,668	10,603	11,818
1974	64,070	12,099	7,777	9,122	2,983	5,197	3,060	1,731	10,595	11,506
1975	63,192	12,059	7,604	9,237	2,916	5,296	2,968	1,816	10,293	11,003
1976	63,320	12,172	7,664	9,411	2,894	5,357	3,080	1,977	10,396	10,369
1977	62,732	12,051	7,460	9,583	2,964	5,483	2,908	1,920	10,098	10,265
1976 *1*	15,724	3,038	1,831	2,326	760	1,307	745	494	2,596	2,627
2	15,785	3,029	1,910	2,345	689	1,344	765	472	2,627	2,604
3	15,884	3,088	1,952	2,365	702	1,349	794	482	2,585	2,567
4	15,927	3,017	1,971	2,375	743	1,357	776	529	2,588	2,571
1977 *1*	15,619	2,991	1,818	2,372	737	1,356	722	510	2,564	2,549
2	15,495	3,019	1,831	2,391	765	1,329	703	454	2,448	2,555
3	15,777	2,945	1,898	2,402	749	1,394	745	515	2,546	2,583
4	15,841	3,096	1,913	2,418	713	1,404	738	441	2,540	2,578
1978 *1*	16,361	3,083	2,022	2,404	762	1,433	775	639	2,556	2,687
2	16,373	2,995	2,048	2,437	767	1,455	788	593	2,587	2,703


£ million, seasonally adjusted
38,000
36,000
34,000
32,000
30,000
28,000
26,000
24,000
22,000
20,000
18,000
16,000
14,000
12,000
10,000
0
1973
1974
1975
1976
1977
1978
Share of consumer's expenditure 1977 1975 prices
Drink and tobacco
Food
Housing, fuel and light
Clothing
Other services
Cars and motor cycles
Durable household goods
Other goods
Personal income (before tax)
Taxes on income, national insurance etc., contributions
Total personal disposable Income
Savings
Consumers' expenditure (current prices)

12

Retail sales, new registrations of cars and hire purchase debt (Great Britain)

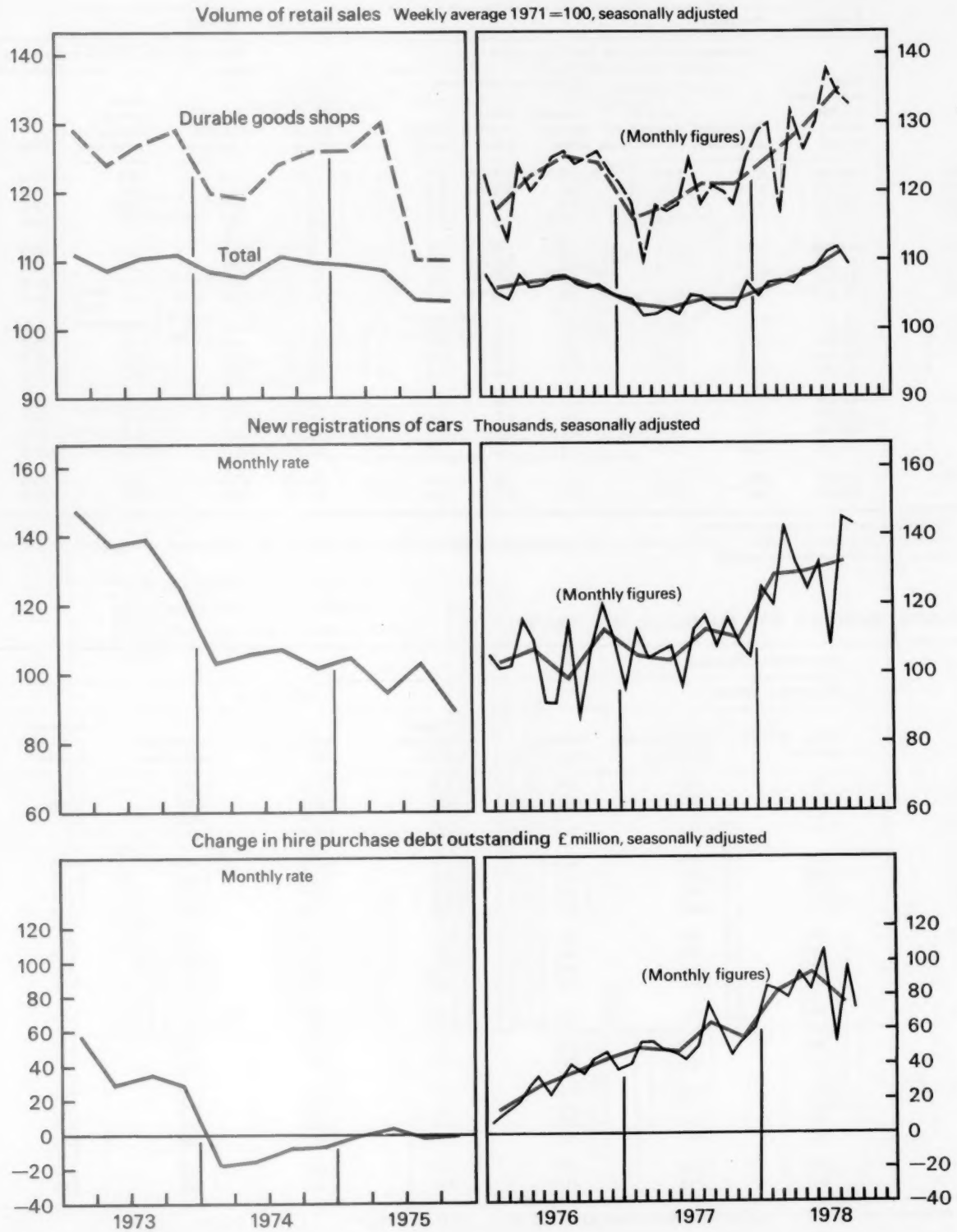
	Seasonally adjusted								
	Weekly average 1971=100						Thousands[1]	£ million	
	Value of retail sales[2]	Volume of retail sales[2]						Hire purchase and other instalment credit[3,4]	
	Total[5] §	Total[5] §	Food shops[5] §	Clothing and footwear shops §	Durable goods shops §	Other non-food shops §	New registrations of cars §	New credit extended	Changes in debt outstanding
Sales in 1971 £ million	*16,296*	*16,296*	*6,866*	*2,436*	*1,897*	*5,097*			
1967	73·8	92·7	97·4	89	84	92	93·1	1,554†	− 30†
1968	79·3	95·7	98·9	93	89	95	93·1	1,637	+ 56
1969	84·0	96·2	100·5	93	87	95	82·3	1,584	− 11
1970	91·0	98·4	101·1	97	91	98	91·4	1,767	+ 92
1971	100·0	100·0	100·0	100	100	100	108·5	2,036	+251
1972	112·0	105·3	101·6	104	113	108	138·6	2,466	+438
1973	126·9	110·3	101·6	108	127	117	137·1	2,846	+444
1974	146·7	109·0	102·4	106	122	115	102·8	2,508	−164
1975	174·4	106·7	100·0	106	119	111	97·2	2,981	− 13
1976	200·1	106·5	98·7	106	122	111	104·7	3,586	+343
1977	228·0	103·6	94·8	105	119	109	107·1	4,392	+625
1973 *3*	128·2	110·3	102·1	106	127	117	138·8	718	+102
4	133·9	110·9	101·5	107	129	119	124·8	708	+ 84
1974 *1*	136·2	108·4	100·7	105	120	116	102·6	568	− 59
2	141·8	107·7	102·0	103	119	113	104·9	615	− 52
3	151·0	110·3	103·9	108	124	115	106·6	651	− 28
4	158·0	109·8	103·1	106	126	115	100·6	674	− 25
1975 *1*	165·2	109·5	101·7	109	126	114	104·2	710	− 6
2	175·0	108·5	99·9	106	130	113	93·5	752	+ 9
3	176·6	104·3	98·9	105	110	109	102·9	749	− 9
4	181·5	104·2	99·3	103	110	109	88·4	770	− 7
1976 *1*	189·6	105·9	99·5	105	117	111	102·7	833	+ 37
2	196·1	106·9	99·6	106	122	111	106·7	872	+ 79
3	203·4	107·3	99·1	106	125	112	96·8	913	+100
4	211·4	105·9	96·6	105	124	112	112·5	968	+127
1977 *1*	216·4	103·3	94·9	105	116	109	103·8	1,007	+144
2	222·0	102·5	94·7	101	118	108	103·0	1,047	+136
3	234·2	104·3	94·4	107	121	110	112·0	1,149	+186
4	239·4	104·4	95·3	109	121	109	109·5	1,189	+159
1978 *1*	246·0	106·3	96·6	110	125	111	129·0	1,260	+245
2	254·5	108·0	98·1	110	129	112	129·6	1,393	+281
3	267·5	110·8	98·1	117	135	116	132·3	1,427	+223
4									
1977 *A*	219·9	102·3	94·3	101	118	107	106·0	346	+ 48
M	222·9	103·2	95·0	104	117	109	107·8	356	+ 46
J	222·9	102·1	94·7	99	118	107	95·3	345	+ 42
J	231·5	104·8	94·3	107	125	110	112·6	360	+ 51
A	235·8	104·7	94·4	110	118	111	116·4	402	+ 75
S	235·0	103·5	94·4	106	121	108	107·1	387	+ 60
O	234·2	102·7	94·2	103	120	108	116·1	378	+ 45
N	236·3	103·1	93·9	107	118	108	108·3	401	+ 53
D	246·0	106·9	97·3	114	125	110	104·2	410	+ 61
1978 *J*	241·0	104·9	95·1	105	129	109	124·8	429	+ 85
F	246·5	106·8	96·8	109	130	111	119·8	418	+ 82
M	249·8	107·0	97·6	115	117	112	142·5	413	+ 78
A	250·3	106·7	96·5	108	132	111	131·8	463	+ 93
M	255·2	108·4	98·9	113	126	112	124·2	471	+ 82
J	257·3	108·7	98·7	110	130	113	132·7	459	+106
J	265·8	111·4	98·4	116	138	117	107·5	458	+ 53
A	270·3	111·8	97·9	121	134	118	145·6	493	+ 97
S	266·6	109·5	97·9	115	133	114	143·7	476	+ 73

[1] Monthly averages. [2] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences January 1975 is exceptionally a five-week period. Further details are given in the technical note to the retail sales figures on page 716 of *Trade and Industry*, 14 March 1975.

[3] Credit extended by and repaid to finance houses and retailers, i.e. durable goods shops, department stores (including co-operatve societies), other general stores and general mail order houses. The figures for retailers have been rebased from 1971 on the results of the Census of Distribution for 1971. For further details see *Trade and Industry*, 10 February 1978.

[4] The seasonal adjustments have been revised in the light of subsequent experience.

[5] These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.


Volume of retail sales Weekly average 1971 = 100, seasonally adjusted
Durable goods shops
Total
(Monthly figures)
140
130
120
110
100
90
New registrations of cars Thousands, seasonally adjusted
Monthly rate
(Monthly figures)
160
140
120
100
80
60
Change in hire purchase debt outstanding £ million, seasonally adjusted
Monthly rate
(Monthly figures)
120
100
80
60
40
20
0
−20
−40
1973
1974
1975
1976
1977
1978

14

Shares of income and expenditure

Seasonally adjusted

	£ million	Per cent						£ million	Per cent		
		Percentage share of total final expenditure							Percentage share of total domestic income		
	Total final expenditure (current market prices)	Consumers' expenditure	General government consumption	Gross fixed investment: General government	Gross fixed investment: Public corporations	Gross fixed investment: Private sector	Exports	Total domestic income (current prices)[1]	Income from employment	Gross trading profits of companies[1]	Other[1,2]
1970	62,099	51·0	14·4	3·9	2·7	8·6	18·5	44,832	67·8	13·2	19·0
1971	69,242	51·1	14·7	3·7	2·7	8·8	18·7	49,998	67·3	13·4	19·3
1972	76,821	51·9	15·1	3·6	2·3	9·2	17·7	56,577	67·0	13·2	19·8
1973	91,591	49·3	14·5	4·0	2·3	9·2	18·8	66,295	65·7	13·5	20·8
1974	109,606	47·3	15·1	4·0	2·6	8·8	21·0	78,722	66·9	12·1	20·9
1975	131,957	47·9	17·4	3·8	3·0	9·0	20·4	97,472	70·1	10·0	19·9
1976	159,351	46·2	16·7	3·4	2·9	8·5	22·1	114,812	68·2	10·8	20·9
1977	182,814	45·7	15·9	2·6	2·6	8·7	23·8	127,587	67·3	11·6	21·1
1976 *1*	37,017	47·0	17·1	3·8	3·3	8·5	21·1	26,710	69·6	9·5	20·9
2	38,885	46·2	17·0	3·5	2·9	8·6	21·9	28,296	68·4	10·8	20·8
3	40,788	45·8	16·6	3·3	2·7	8·8	22·2	29,300	68·1	10·9	21·0
4	42,661	45·7	16·2	3·1	2·8	8·3	22·9	30,506	66·7	12·2	21·1
1977 *1*	43,386	45·8	16·0	2·9	2·6	8·2	23·5	31,091	66·6	12·3	21·1
2	45,181	45·3	16·0	2·6	2·5	8·9	23·7	31,510	67·4	11·6	21·0
3	46,849	45·7	15·9	2·5	2·6	8·7	24·4	32,358	66·8	11·9	21·3
4	47,398	46·0	15·8	2·5	2·5	9·0	23·4	32,628	68·3	10·7	21·0
1978 *1*	49,346	46·3	16·0	2·3	2·3	9·4	23·0	33,729	67·9	11·3	20·8
2	50,661	46·0	16·0	2·2	2·2	9·5	23·1	34,972	68·5	10·6	20·9

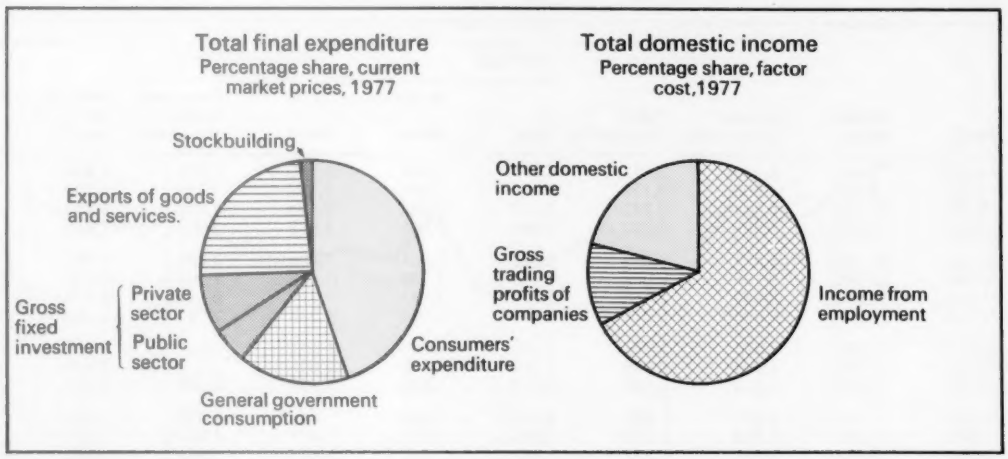
[1] Before providing for stock appreciation.
[2] Gross trading surplus of public corporations and general government enterprises, income from rent and self-employment, and imputed charge for consumption of non-trading capital.

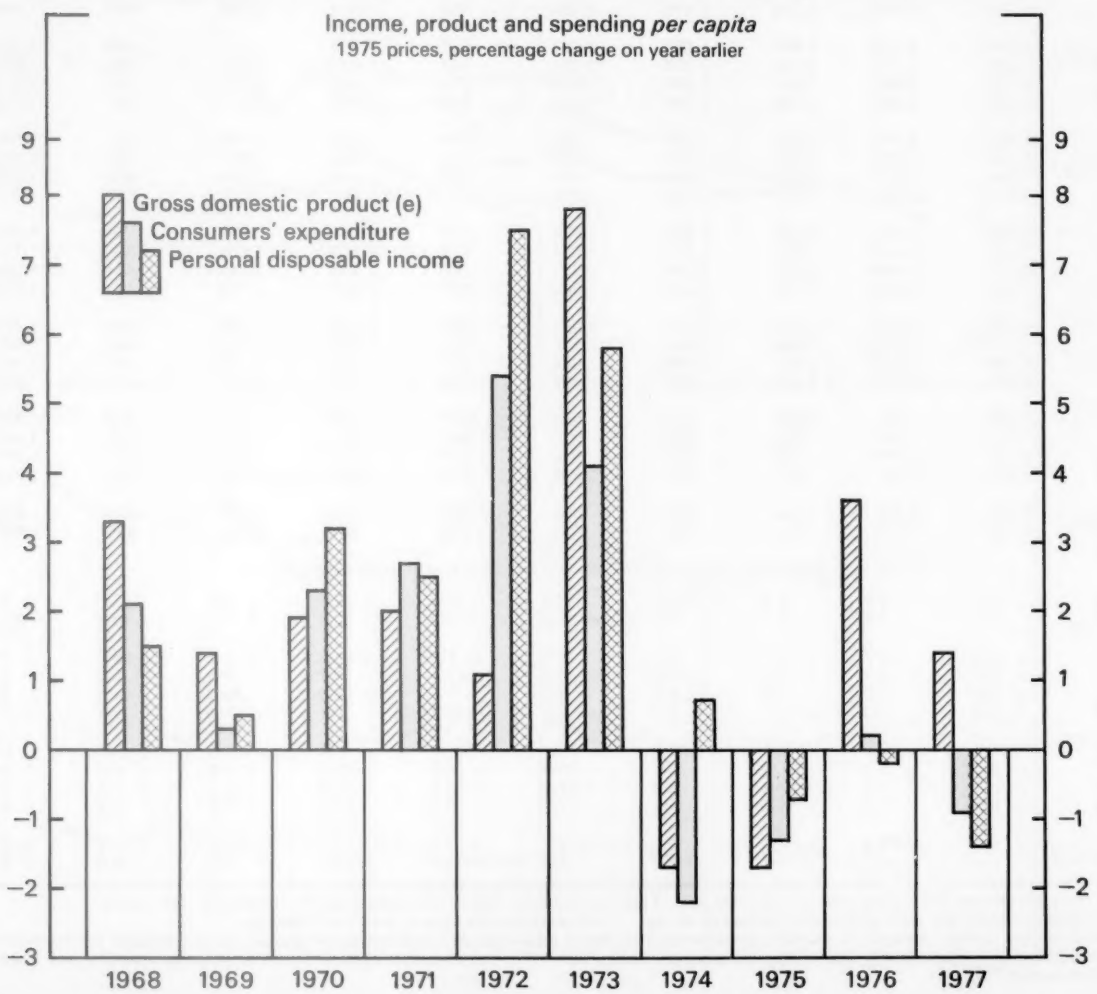
Income, product and spending *per capita*

Seasonally adjusted

	£, current prices				£, 1975 prices		
	Gross national product[1]	Gross domestic product[1,2]	Consumers' expenditure	Personal disposable income	Gross domestic product[1,2]	Consumers' expenditure	Personal disposable income
1970	793	782	570	626	1,536	1,037	1,138
1971	893	884	635	695	1,567	1,065	1,166
1972	993	984	713	796	1,584	1,123	1,254
1973	1,163	1,141	807	916	1,708	1,169	1,327
1974	1,338	1,315	925	1,081	1,679	1,143	1,336
1975	1,664	1,651	1,128	1,327	1,651	1,128	1,327
1976	1,978	1,954	1,313	1,538	1,711	1,130	1,324
1977	2,211	2,203	1,492	1,738	1,735	1,120	1,305
1975 *1*	384	381	261	311	410	286	341
2	407	404	280	325	416	285	331
3	424	420	289	341	409	279	329
4	449	446	298	350	416	278	326
1976 *1*	468	463	310	368	426	281	332
2	484	478	321	374	425	282	329
3	503	497	333	396	429	283	337
4	523	516	349	400	431	284	326
1977 *1*	522	520	353	411	425	278	324
2	539	537	365	423	430	276	320
3	567	565	383	438	437	282	323
4	583	581	391	466	443	284	338
1978 *1*	600	598	408	467	441	292	334
2	621	618	417	492	448	293	345

[1] At factor cost. [2] Based on expenditure data.


Total final expenditure
Percentage share, current market prices, 1977
Stockbuilding
Exports of goods and services
Gross fixed investment
Private sector
Public sector
Consumers' expenditure
General government consumption
Total domestic income
Percentage share, factor cost, 1977
Other domestic income
Gross trading profits of companies
Income from employment


Income, product and spending *per capita*
1975 prices, percentage change on year earlier
Gross domestic product (e)
Consumers' expenditure
Personal disposable income
9
8
7
6
5
4
3
2
1
0
−1
−2
−3
1968
1969
1970
1971
1972
1973
1974
1975
1976
1977

16

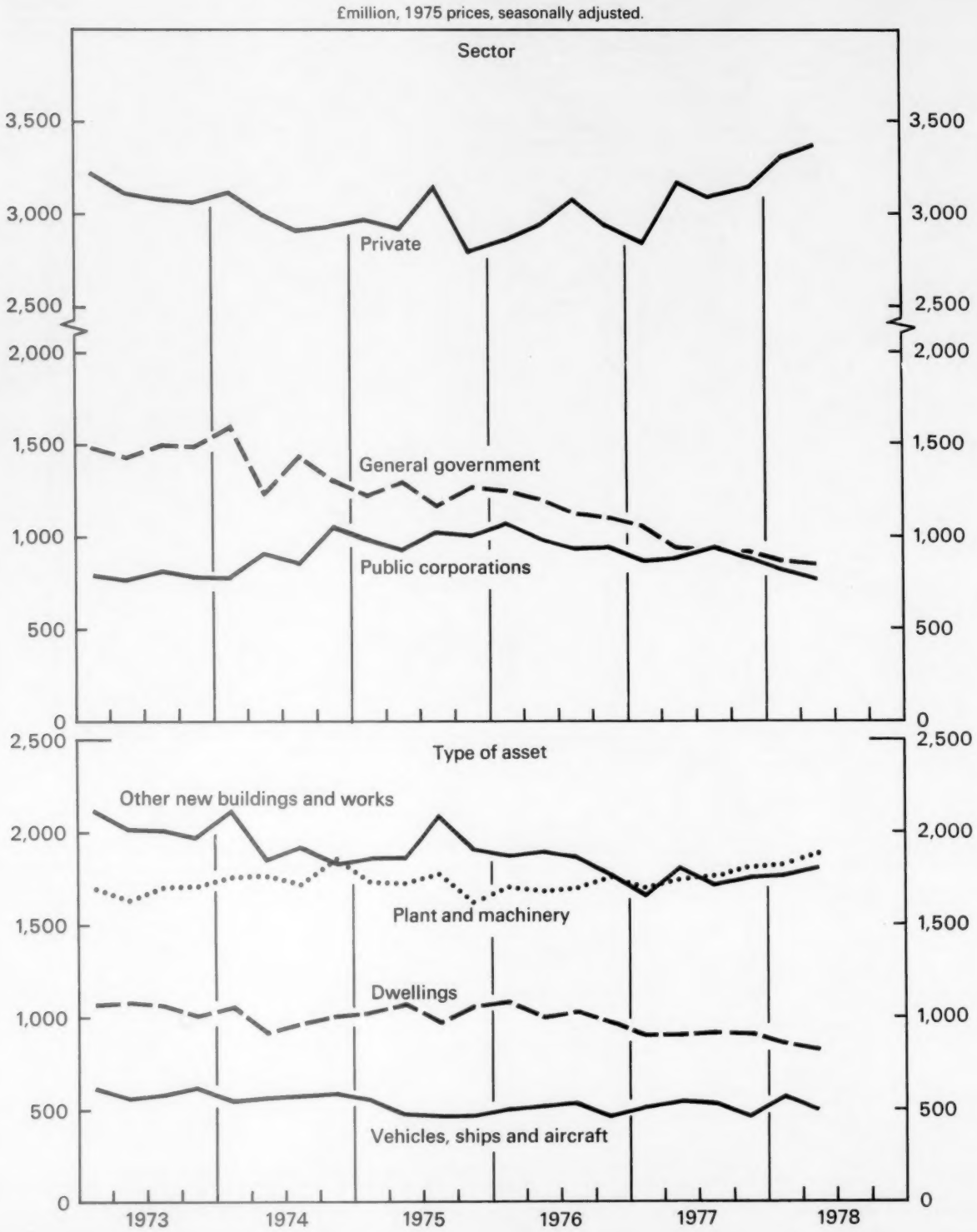
Gross domestic fixed capital formation by sector and by type of asset

Seasonally adjusted

£ million, 1975 prices[1]

	Sector[2]				Type of asset					
					Dwellings					
	Total§	Private sector	General government	Public corporations	Total	*of which:* Private	*of which:* Public	Other new building and works[3]	Vehicles, ships and aircraft	Plant and machinery
1967	18,440	9,132	5,340	3,992	4,312	1,965	2,140	6,931	1,402	5,889
1968	19,287	9,984	5,608	3,726	4,515	2,082	2,243	7,279	1,730	5,891
1969	19,360	10,607	5,511	3,263	4,317	1,932	2,194	7,368	1,700	6,071
1970	19,845	10,869	5,599	3,392	3,967	2,006	1,972	7,653	1,825	6,402
1971	20,209	11,360	5,421	3,411	4,218	2,401	1,822	7,885	1,889	6,300
1972	20,240	12,001	5,195	3,002	4,443	2,748	1,692	7,745	2,155	6,006
1973	21,609	12,519	5,928	3,162	4,281	2,491	1,790	8,145	2,415	6,768
1974	21,164	11,967	5,578	3,619	3,979	2,041	1,938	7,749	2,323	7,113
1975	20,817	11,860	4,974	3,983	4,163	2,196	1,967	7,747	2,017	6,890
1976	20,489	11,838	4,696	3,955	4,144	2,105	2,039	7,436	2,045	6,864
1977	19,738	12,286	3,854	3,598	3,656	1,828	1,828	6,964	2,091	7,027
1972 *1*	5,090	2,911	1,391	803	1,116	663	445	1,895	529	1,508
2	5,040	2,967	1,292	769	1,095	663	431	1,947	501	1,511
3	5,010	2,966	1,269	732	1,097	714	405	1,944	526	1,499
4	5,100	3,157	1,243	698	1,135	708	411	1,959	599	1,488
1973 *1*	5,534	3,239	1,495	800	1,087	640	447	2,122	625	1,700
2	5,321	3,119	1,436	766	1,094	656	438	2,020	565	1,642
3	5,399	3,092	1,499	808	1,076	610	466	2,018	593	1,712
4	5,355	3,069	1,498	788	1,024	585	439	1,985	632	1,714
1974 *1*	5,502	3,119	1,596	787	1,064	570	494	2,119	562	1,757
2	5,142	2,999	1,229	914	930	494	436	1,857	581	1,774
3	5,217	2,912	1,443	862	979	451	528	1,928	585	1,725
4	5,303	2,937	1,310	1,056	1,006	526	480	1,845	595	1,857
1975 *1*	5,203	2,969	1,238	996	1,033	554	479	1,865	564	1,741
2	5,170	2,930	1,301	939	1,081	574	507	1,866	488	1,735
3	5,353[4]	3,154[4]	1,165	1,034	987	543	444	2,098[4]	484	1,784
4	5,091	2,807	1,270	1,014	1,062	525	537	1,918	481	1,630
1976 *1*	5,187	2,862	1,252	1,073	1,096	562	534	1,878	504	1,709
2	5,137[4]	2,942[4]	1,204	991	1,016	508	508	1,900[4]	523	1,698
3	5,168[4]	3,086[4]	1,137	945	1,044	543	501	1,882[4]	541	1,701
4	4,997	2,948	1,103	946	988	492	496	1,776	477	1,756
1977 *1*	4,794	2,852	1,063	879	903	417	486	1,671	518	1,702
2	5,025[4]	3,187[4]	944	894	911	461	450	1,813[4]	550	1,751
3	4,965	3,100	928	937	924	477	447	1,727	547	1,767
4	4,954	3,147	919	888	918	473	445	1,753	476	1,807
1978 *1*	5,015	3,313	884	818	861	448	413	1,760	574	1,820
2	5,024	3,383	854	787	830	446	384	1,805	496	1,893
	Percentage change, quarter on corresponding quarter of previous year									
1975 *3*	+ 2·6	+ 8·3	−19·3	+20·0	+ 0·8	+20·4	−15·9	+ 8·8	−17·3	+ 3·4
4	− 4·0	− 4·4	− 3·1	− 4·0	+ 5·6	− 0·2	+11·9	+ 4·0	−19·2	−12·2
1976 *1*	− 0·3	− 3·6	+ 1·1	+ 7·7	+ 6·1	+ 1·4	+11·5	+ 0·7	−10·6	− 1·8
2	− 0·6	+ 0·4	− 7·5	+ 5·5	− 6·0	−11·5	+ 0·2	+ 1·8	+ 7·2	− 2·1
3	− 3·5	− 2·2	− 2·4	− 8·6	+ 5·8	—	+12·8	−10·3	+11·8	− 4·7
4	− 1·8	+ 5·0	− 3·1	− 6·7	− 7·0	− 6·3	− 7·6	− 7·4	− 0·8	+ 7·7
1977 *1*	− 7·6	− 0·3	−15·1	−18·1	−17·6	−25·8	− 9·0	−11·0	+ 2·8	− 0·4
2	− 2·2	+ 8·3	−21·6	− 9·8	−10·3	− 9·3	−11·4	− 4·6	+ 5·2	+ 3·1
3	− 3·9	+ 0·5	−18·4	− 0·8	−11·5	−12·2	−10·8	− 8·2	+ 1·1	+ 3·9
4	− 0·9	+ 6·8	−16·7	− 6·1	− 7·1	− 3·9	−10·3	− 1·3	− 0·2	+ 2·9
1978 *1*	+ 4·6	+16·2	−16·8	− 6·9	− 4·7	+ 7·4	−15·0	+12·0	+10·8	+ 6·9
2	—	+ 6·1	− 9·5	−12·0	− 8·9	− 3·3	−14·7	− 0·4	− 9·8	+ 8·1

[1] For the years prior to 1973, totals may not equal the sum of their components, due to the method used in rebasing to 1975 prices.
[2] Including purchases *less* sales of land and existing buildings. [3] Including transfer costs of land and buildings.
[4] Including extra capital formation in imported oil platforms and related equipment delivered during the quarter but not adjusted for seasonality. The extra deliveries are approximately £200 million in 3rd quarter 1975, £150 million in 2nd quarter 1976, £125 million in 3rd quarter 1976 and £225 million in 2nd quarter 1977.


£million, 1975 prices, seasonally adjusted.
Sector
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Private
General government
Public corporations
Type of asset
2,500
2,000
1,500
1,000
500
0
Other new buildings and works
Plant and machinery
Dwellings
Vehicles, ships and aircraft
1973
1974
1975
1976
1977
1978

Indicators of fixed investment by manufacturing industry

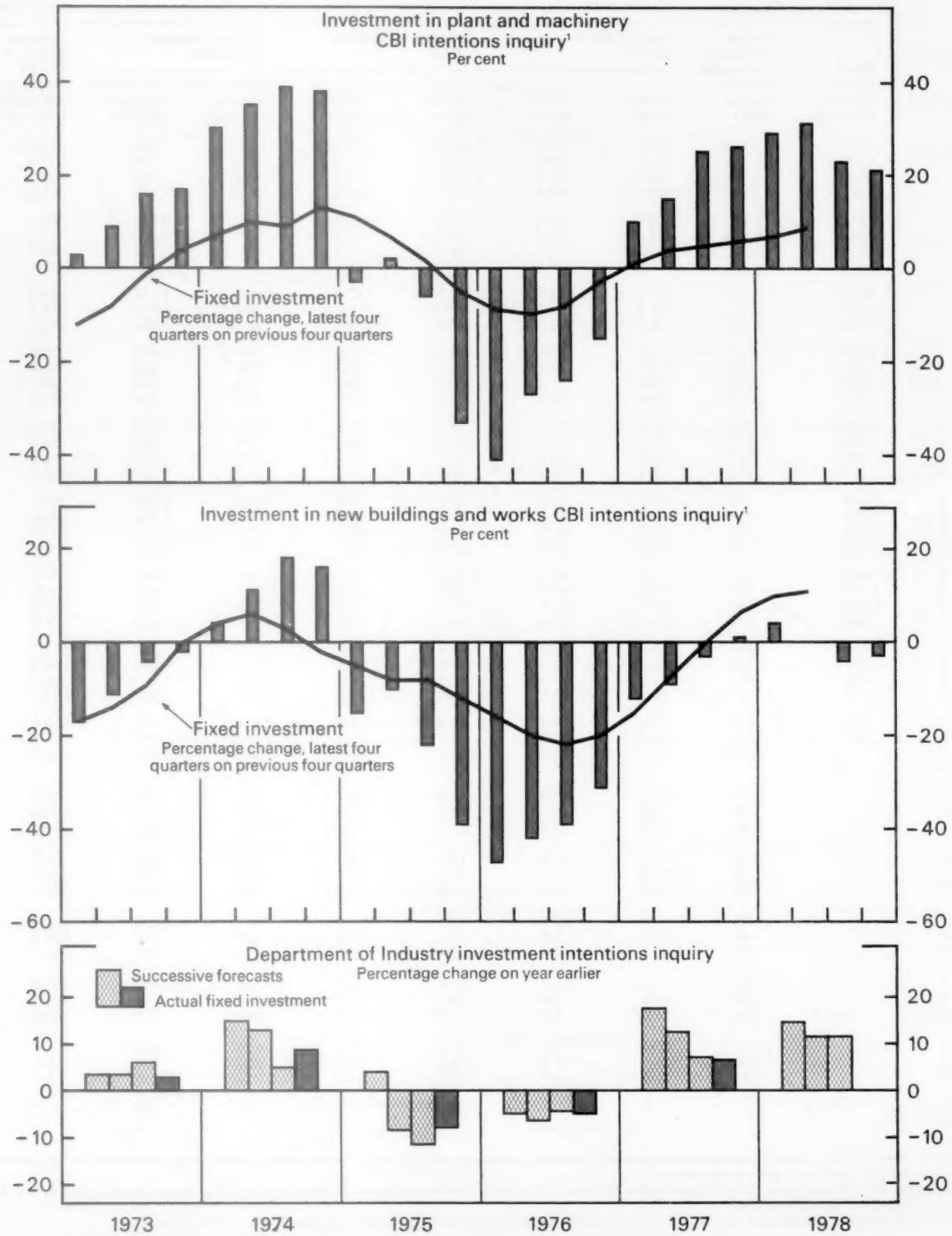
	Gross fixed investment in manufacturing industry							New orders received by contractors for private industrial work (GB)[2]
	Total§	Plant and machinery			New building and works			
		Gross fixed investment		CBI Intentions Inquiry	Gross fixed investment		CBI Intentions Inquiry	
	£ million, 1975 prices, seasonally adjusted	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted
1967	3,412·4	2,398·7	+ *1*	..	819·9	−*12*	..	1,311
1968	3,641·8	2,568·9	+ *7*	..	860·9	+ *5*	..	1,368
1969	3,897·7	2,679·5	+ *4*	..	994·3	+*15*	..	1,507
1970	4,196·4	2,974·2	+*11*	..	1,000·2	+ *1*	..	1,410
1971	3,922·5	2,795·3	− *6*	..	905·2	− *9*	..	1,012
1972	3,397·8	2,420·4	−*13*	..	738·0	−*18*	..	1,003†
1973	3,504·1	2,505·3	+ *4*	..	738·7	—	..	1,287
1974	3,822·0	2,821·3	+*13*	..	727·1	− *2*	..	1,076
1975	3,521·9	2,682·1	− *5*	..	639·9	−*12*	..	684
1976	3,345·3	2,591·7	− *3*	..	513·9	−*20*	..	797
1977	3,572·6	2,739·7	+ *6*	..	547·1	+ *6*	..	957
1973 *1*	878·0	632·7	− *2*	30	179·1	− *9*	4	303
2	845·3	604·6	+ *2*	35	178·8	− *5*	11	310
3	911·7	653·5	+*12*	39	192·2	+ *4*	18	326
4	869·1	614·5	+ *4*	38	188·6	+*12*	16	348
1974 *1*	951·1	691·1	+ *9*	− 3	191·6	+ *7*	−15	270
2	948·3	697·0	+*15*	2	182·1	+ *2*	−10	271
3	947·5	702·9	+ *8*	− 6	174·8	− *9*	−22	274
4	975·1	730·3	+*19*	−33	178·6	− *5*	−39	262
1975 *1*	941·7	710·7	+ *3*	−41	176·7	− *8*	−47	209
2	900·8	685·7	− *2*	−27	167·6	− *8*	−42	164
3	849·9	646·2	− *8*	−24	155·9	−*11*	−39	183
4	829·5	639·5	−*12*	−15	139·7	−*22*	−31	128
1976 *1*	813·0	624·4	−*12*	10	135·0	−*24*	−12	180
2	827·8	640·8	− *7*	15	126·3	−*25*	− 9	194
3	848·7	659·5	+ *2*	25	126·9	−*19*	− 3	193
4	855·8	667·0	+ *4*	26	125·7	−*10*	1	229
1977 *1*	851·2	653·0	+ *5*	29	128·2	− *5*	4	214
2	879·1	669·2	+ *4*	31	134·4	+ *6*	—	264
3	910·2	701·7	+ *6*	23	139·3	+*10*	− 4	244
4	932·1	715·8	+ *7*	21	145·2	+*16*	− 3	236
1978 *1*	920·1	710·5	+ *9*	21	140·9	+*10*	− 4	272
2	971·3	752·0	+*12*	18	148·8	+*11*	− 7	267
3				13			−15	274[3]
4				10			−11	

[1] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.
[2] Minor revisions have been made to the series.
[3] Provisional.

Department of Industry inquiry into investment intentions[1]: manufacturing industry

	Percentage change over previous year, in volume terms			
	Gross fixed investment			
	First forecast	Second forecast	Third forecast	Actual
1968	probably some increase	about +5	less than +5	+ 6·5
1969	between +10 and +15	+10 to +15, perhaps top end	of the order of +10	+ 6·8
1970	about +10	about +10	about +2 or +3	+ 7·7
1971	no large change	about −2	about −6 to −8	− 6·7
1972	little change, perhaps a rise	about −3	−7	−13·4
1973	+2 to +5	+2 to +5	+6	+ 3·1
1974	strong increase about +15	some +12 to +14	about +5	+ 9·1
1975	less than +5	−7 to −10	about −11 or −12	− 7·9
1976	of the order of −5	−5 to −8	−4 to −5	− 5·0
1977	between +15 and +20	+10 to +15	+7	+ 6·8
1978	between +12 and +17	+10 to +13	+10 to +13	
1979	+4 to +8			

[1] For each year the first inquiry is held in the preceding summer, the second at the end of the previous year and the third in the summer of the year concerned. (In addition the inquiry at the end of the year seeks preliminary information in respect of the second year ahead and another survey in the spring of each year updates the intentions for both years covered by this inquiry; these two inquiries are not included in the table.)

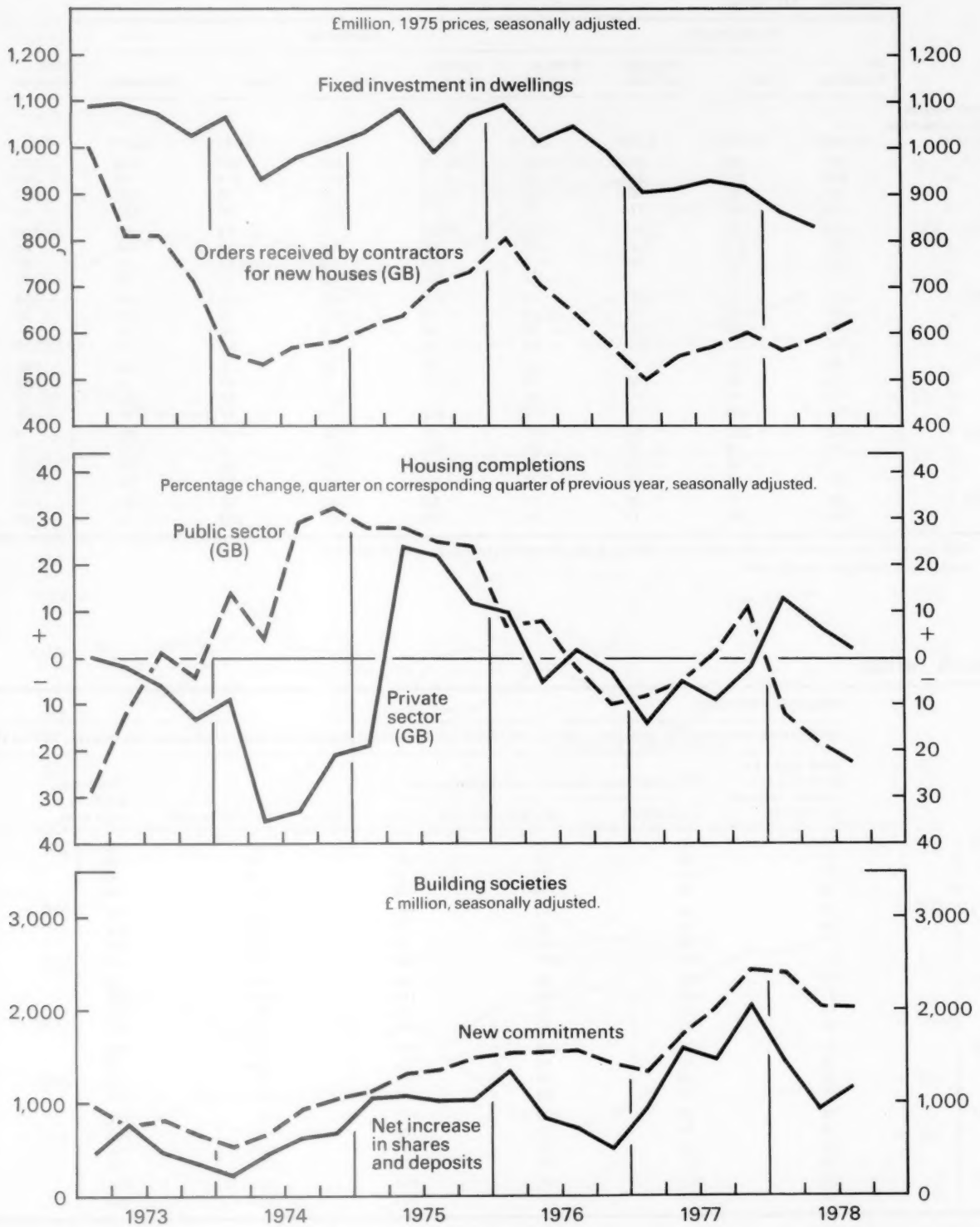


[1]The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage changes in fixed investment

Indicators of fixed investment in dwellings

		Seasonally adjusted								Unadjusted
		£ million, 1975 prices		Thousands				£ million		1975 =100
		Fixed investment in dwellings	Orders received by contractors for new houses (GB)[1]	Housing starts (GB) §		Housing completions (GB) §		Building Societies Association		Average price of new dwellings: mortgages approved[2]
				Private sector	Public sector	Private sector	Public sector	New commitments for mortgages	Net increase in shares and deposits	
1967		4,312	4,383†	233·6	213·9	200·4	203·9	1,649	1,099	35·0
1968		4,515	3,787	200·1	194·3	222·0	191·7	1,480	767	37·4
1969		4,317	3,064	166·8	176·6	181·7	185·1	1,580	895	39·3
1970		3,967	3,093	165·1	153·8	170·3	180·1	2,188	1,490	41·8
1971		4,218	3,147	207·4	136·9	191·6	158·9	3,013	2,034	48·1
1972		4,443	3,507	228·0	123·0	196·5	122·8	3,802	2,193	63·3
1973		4,281	3,320	215·7	112·8	186·6	107·5	3,254	2,162	86·2
1974		3,979	2,224	105·9	146·1	140·9	128·6	3,115	1,993	91·4
1975		4,163	2,663	149·1	173·8	150·8	162·3	5,302	4,172	100·0[3]
1976		4,144	2,712	154·7	170·8	152·2	163·0	6,089	3,405	108·4
1977		3,656	2,212	134·8	132·1	140·3	162·5	7,524	6,099	119·0
1973	*1*	1,087	995†	62·6	29·8	48·8	25·8	991	476	81·8
	2	1,094	805	54·9	27·8	49·0	29·5	759	805	85·8
	3	1,076	803	52·8	27·2	46·1	26·2	816	511	88·3
	4	1,024	718	45·4	28·0	42·7	26·0	688	370	90·6
1974	*1*	1,064	553	33·8	34·1	44·3	29·5	533	218	90·5
	2	930	526	25·8	39·7	31·9	30·8	598	456	90·0
	3	979	568	22·5	36·5	30·9	33·9	931	634	92·3
	4	1,006	578	23·8	35·8	33·8	34·4	1,053	685	92·6
1975	*1*	1,033	610	33·1	41·4	35·8	37·8	1,119	1,054	95·3
	2	1,081	625	37·4	37·8	39·6	39·3	1,311	1,085	100·0
	3	987	702	38·0	43·9	37·6	42·5	1,373	1,012	102·1
	4	1,062	726	40·6	50·7	37·8	42·7	1,499	1,021	102·7
1976	*1*	1,096	801	42·0	49·8	39·4	40·6	1,537	1,341	104·3
	2	1,016	700	42·0	44·3	37·8	42·4	1,552	824	107·9
	3	1,044	640	39·3	44·3	38·3	41·5	1,581	727	110·3
	4	988	572	31·4	32·4	36·7	38·5	1,419	513	111·5
1977	*1*	903	496	29·9	30·3	33·7	37·5	1,337	963	112·7
	2	911	548	34·7	32·7	35·8	40·3	1,743	1,599	116·6
	3	924	567	35·3	34·6	34·8	41·8	2,018	1,487	120·5
	4	918	601	34·9	34·5	36·0	42·9	2,426	2,050	124·5
1978	*1*	861	565	35·1	26·4	38·0	32·9	2,414	1,411	130·5
	2	830	587	40·6†	29·8	38·3†	32·9	2,062	910	137·9
	3		624[4]	37·4	26·0	35·5	32·7	2,041	1,150	148·2
	4									
1977	*J*	..	177	12·2	11·6	12·6	12·8	611	436	119·5
	A	..	195	9·8	10·9	10·4	14·4	690	470	120·8
	S	..	194	13·3	12·1	11·8	14·6	717	581	121·1
	O	..	179	12·3	12·4	12·3	14·9	775	676	123·1
	N	..	206	10·8	11·1	11·3	13·7	809	709	124·5
	D	..	216	11·8	11·0	12·4	14·3	842	665	126·1
1978	*J*	..	189	11·5	10·6	13·0	11·4	817	524	128·5
	F	..	189	11·2	7·2	12·1	10·6	827	440	129·2
	M	..	188	12·4	8·6	12·9	10·9	770	447	133·5
	A	..	183	13·5	10·0	12·4	10·8	724	297	135·8
	M	..	205	12·2	9·9	12·5	11·3	690	299	136·9
	J	..	198	14·9†	9·9	13·4†	10·8	648	314	141·5
	J	..	191	12·0	9·6	12·5	12·0	639	344	144·6
	A	..	226[4]	11·1	7·8	10·9	10·3	689	356	148·7
	S	..	207	14·3	8·6	12·1	10·4	713	450	151·2
	O							723	429	
	N									
	D									

[1] Some revisions have been made to the series.
[2] Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.
[3] From 1975 figures are based on a new monthly return covering 90 per cent of building society mortgages.
[4] Provisional


£million, 1975 prices, seasonally adjusted.
Fixed investment in dwellings
Orders received by contractors for new houses (GB)
1,200
1,100
1,000
900
800
700
600
500
400
Housing completions
Percentage change, quarter on corresponding quarter of previous year, seasonally adjusted.
Public sector (GB)
Private sector (GB)
+
0
−
40
30
20
10
Building societies
£ million, seasonally adjusted.
New commitments
Net increase in shares and deposits
3,000
2,000
1,000
0
1973
1974
1975
1976
1977
1978

Stock changes

Seasonally adjusted

£ million, 1975 prices

	All industries	Manufacturing[1]				Distribution			Other industries
		Total	Materials and fuels	Work in progress	Finished goods	Total	Retail	Wholesale	
Book values end-December									
1977[2]	34,469†	19,995†	7,277†	7,321†	5,397†	7,722†	3,181†	4,541†	6,752†
1973 *1*	901	445	217	241	− 12	253	139	114	203
2	948	311	249	65	− 3	387	314	73	250
3	698	297	188	147	− 38	195	75	120	206
4	436	256	174	81	1	221	96	125	− 41
1974 *1*	−256	−173	293	−104	−363	25	− 63	88	−108
2	861	566	80	130	356	209	53	156	86
3	816	782	290	109	383	− 33	− 94	61	67
4	41	112	− 5	− 83	201	− 20	− 76	56	− 51
1975 *1*	−604	−206	−289	− 51	134	−189	−105	− 84	−209
2	−467	−255	−157	− 63	− 35	−202	− 95	−107	− 10
3	−462	−498	−340†	− 94	− 64	− 5	40	− 45	41
4	−392	−262	−139	− 64	− 58	49	60	− 11	−179
1976 *1*	− 89	23	− 88	62	49	50	7	43	−162
2	− 34	− 46	− 48	21	− 19	− 76	− 67	− 9	88
3	173	83	47	36	—	127	46	81	− 37
4	211	256	25	102†	128	43	27	16	− 88
1977 *1*	475	267	90	141	35	199	117	82	9
2	336	79	− 39	− 84	201	184	4	180	73
3	− 7	− 18	− 23	− 35	40	−139	− 59	− 80	150
4	247	114	− 44	175	− 13	51	− 33	84	82
1978 *1*	324	71	− 28	37	62	143	62	81	110
2	386	215	− 17	94	138	87	128	− 41	84

[1] Differences between totals and the sum of constituent parts of manufacturing are due to rounding.

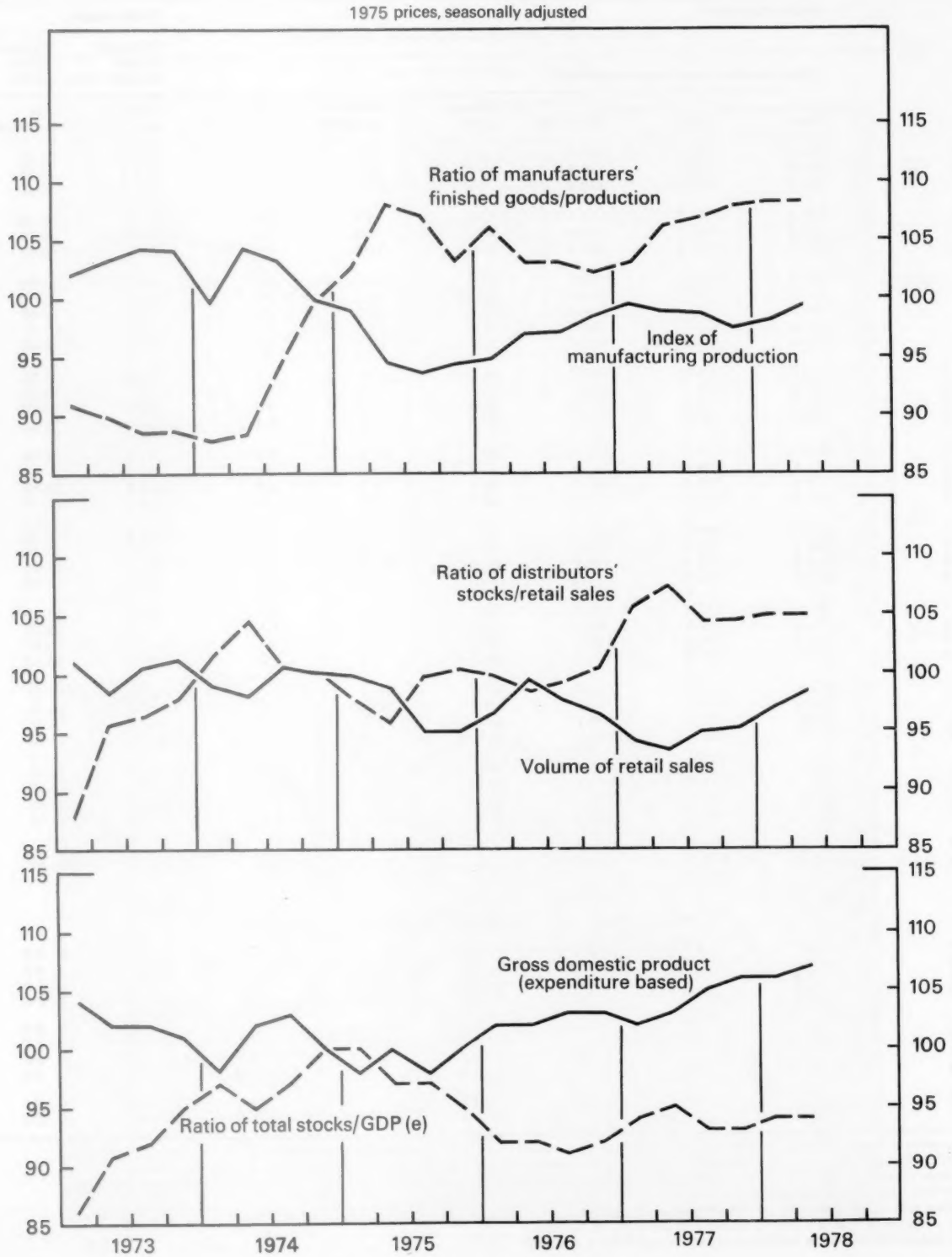
[2] Unadjusted 1975 price stock levels.

Stock ratios

Seasonally adjusted

1975 prices: stocks level, end-Dec. 1974=100; GDP (e), industrial production and retail sales, 4th quarter 1974=100

	Total stocks to gross domestic product (expenditure based)	Manufacturers' stocks to manufacturing production				Distributors' stocks to retail sales
		Total stocks	Materials and fuel	Work in progress	Finished goods	
1973 *1*	86	91	87	97	91	88
2	91	90	88	97	90	96
3	92	91	89	97	89	96
4	95	92	90	98	89	98
1974 *1*	97	95	97	102	88	101
2	95	93	94	96	88	104
3	97	97	97	97	94	101
4	100	100	100	100	100	100
1975 *1*	100	100	98	100	103	98
2	97	104	101	104	108	96
3	97	103	99	102	107	100
4	95	101	97	103	103	100
1976 *1*	92	101	96	104	106	100
2	92	99	94	101	103	99
3	91	99	94	101	103	99
4	92	98	92	101	102	101
1977 *1*	94	98	92	101	103	106
2	95	99	93	101	106	107
3	93	99	93	101	107	108
4	93	101	93	104	108	105
1978 *1*	94	101	93	104	108	105
2	94	100	92	103	108	105


1975 prices, seasonally adjusted
Ratio of manufacturers' finished goods/production
Index of manufacturing production
Ratio of distributors' stocks/retail sales
Volume of retail sales
Gross domestic product (expenditure based)
Ratio of total stocks/GDP (e)
115
110
105
100
95
90
85
1973
1974
1975
1976
1977
1978

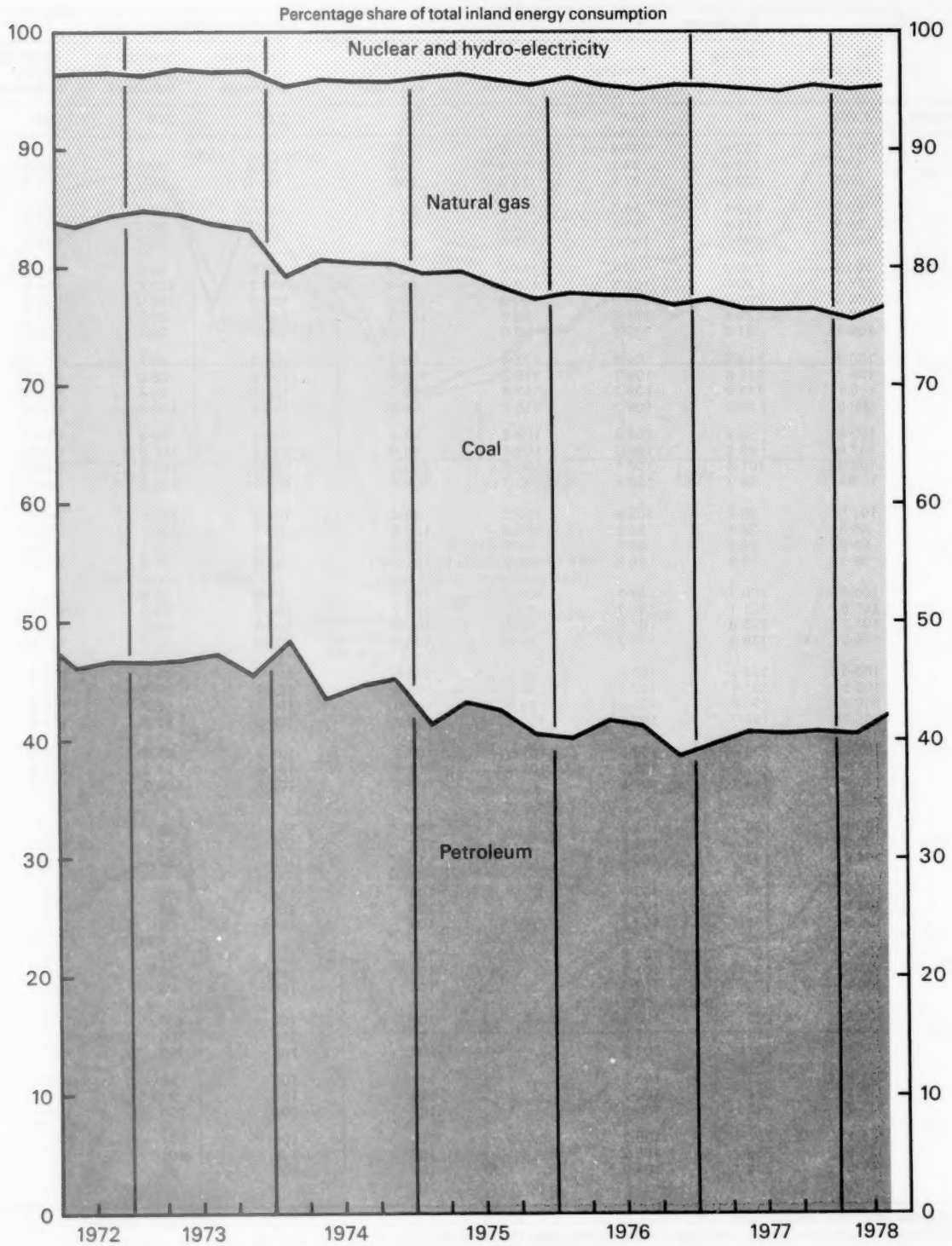
24

Inland energy consumption

Annual rates, seasonally adjusted and temperature corrected

	Primary fuel input[1]						Public supply	
	Million tonnes of coal or coal equivalent						Thousand million kilowatt hours	Thousand million therms
	Total	Coal[2]	Petroleum[3]	Natural gas[4]	Nuclear electricity[5]	Hydro electricity[5]	Electricity available(GB)[6]	Gas available(GB)[7]
1967	303·2	166·3	123·1	2·1	9·0	2·7	177·8	4·37
1968	312·9	166·7	129·2	4·8	10·2	2·0	193·6	4·88
1969	323·0	162·8	138·4	9·4	10·7	1·7	200·5	5·40
1970	336·3	156·8	149·8	17·8	9·5	2·4	211·6	6·30
1971	332·9	140·0	152·4	28·8	9·9	1·8	215·9	8·25
1972	337·4	121·8	162·2	41·0	10·6	1·8	224·1	10·82
1973	354·2	133·2	164·5	44·4	10·1	2·0	241·0	12·04
1974	337·9	117·7	153·1	52·9	12·1	2·1	235·5	13·53
1975	326·9	120·6	137·1	56·3	10·9	2·0	234·2	13·90
1976	331·5	123·0	134·2	59·5	12·9	1·9	236·7	14·41
1977	338·2	122·4	136·8	62·7	14·3	2·0	240·2	15·42
1972 *1*	316·9	104·8	162·7	36·0	11·6	1·8	213·4	9·98
2	337·9	121·1	163·7	40·3	10·5	2·3	224·4	10·70
3	341·5	128·0	157·2	44·4	9·9	2·0	226·3	11·18
4	353·6	133·3	165·2	43·2	10·8	1·1	232·2	11·42
1973 *1*	350·1	134·5	162·8	40·0	10·9	1·9	243·2	11·51
2	355·4	134·6	165·8	43·7	9·3	2·0	241·3	11·69
3	358·7	131·3	169·2	45·8	10·2	2·2	241·3	12·19
4	352·5	132·4	160·3	48·1	9·9	1·8	238·3	12·79
1974 *1*	311·5	96·3	150·8	50·1	11·5	2·8	216·3	13·20
2	342·4	126·7	149·4	52·6	12·4	1·3	237·1	13·49
3	350·9	125·9	155·8	54·9	12·3	2·0	244·2	13·66
4	346·9	122·0	156·3	54·1	12·1	2·4	244·3	13·78
1975 *1*	331·1	127·2	136·8	54·2	10·8	2·1	236·2	13·73
2	331·4	121·2	143·0	55·2	10·4	1·6	237·3	13·71
3	326·4	116·9	139·2	57·4	10·8	2·1	234·7	13·97
4	318·9	117·2	129·2	58·5	12·0	2·0	228·5	14·17
1976 *1*	332·5	125·5	133·8	60·4	10·9	1·9	230·9	14·27
2	334·6	120·8	139·5	59·2	12·5	2·6	240·4	14·36
3	330·9	120·5	136·7	57·6	14·6	1·5	244·3	14·46
4	328·0	125·2	126·8	61·0	13·4	1·6	231·4	14·56
1977 *1*	336·9	126·3	134·0	61·1	13·9	1·6	237·9	14·95
2	337·7	121·1	137·7	62·0	14·5	2·4	242·9	15·32
3	340·5	121·6	138·1	63·4	15·7	1·7	248·3	15·58
4	337·5	120·4	137·3	64·3	13·1	2·4	231·9	15·81
1978 *1*	331·7†	116·4	134·4	64·5†	14·6	1·8	237·3	15·71
2	340·8	118·3†	143·7†	63·4	13·3	2·1†	248·6	15·81
	Percentage change, quarter on corresponding quarter of previous year							
1976 *1*	*+ 0·4*	*− 1·3*	*− 2·2*	*+11·4*	*+ 0·9*	*− 9·5*	*− 2·2*	*+ 3·9*
2	*+ 1·0*	*− 0·3*	*− 2·5*	*+ 7·2*	*+20·2*	*+62·5*	*+ 1·3*	*+ 4·7*
3	*+ 1·4*	*+ 3·1*	*− 1·8*	*+ 0·3*	*+35·2*	*−28·6*	*+ 4·1*	*+ 3·5*
4	*+ 2·9*	*+ 6·8*	*− 1·9*	*+ 4·3*	*+11·7*	*−20·0*	*+ 1·3*	*+ 2·8*
1977 *1*	*+ 1·3*	*+ 0·6*	*—*	*+ 1·2*	*+27·5*	*−15·8*	*+ 3·0*	*+ 4·8*
2	*+ 0·9*	*+ 0·2*	*− 1·3*	*+ 4·7*	*+16·0*	*− 7·7*	*+ 1·0*	*+ 6·7*
3	*+ 2·9*	*+ 0·9*	*+ 1·0*	*+10·1*	*+ 7·5*	*+13·3*	*+ 1·6*	*+ 7·7*
4	*+ 2·9*	*− 3·8*	*+ 8·3*	*+ 5·4*	*− 2·2*	*+50·0*	*+ 0·2*	*+ 8·6*
1978 *1*	*− 1·6*	*− 7·8*	*+ 0·2*	*+ 5·6*	*+ 5·0*	*+12·5*	*− 0·2*	*+ 5·1*
2	*+ 0·9*	*− 2·4*	*+ 4·4*	*+ 2·0*	*− 8·8*	*−11·4*	*+ 2·3*	*+ 3·2*

[1] Converted to metric tonnes. Temperature correction has been introduced for natural gas. Details are given in *Energy Trends*, May 1978.
[2] Consumption by fuel producers *plus* colliery disposals to final users *plus* net foreign trade and stock change in other solid fuels.
[3] Refinery throughput of crude oil *plus* net foreign trade and stock change in petroleum products *less* deliveries of non-energy products.
[4] Excluding gas flared or reinjected.
[5] Nuclear and hydro electricity are not temperature corrected.
[6] The inclusion of Northern Ireland would add about 2% to the total.
[7] The inclusion of Northern Ireland would add about 0·3% to the total.


Percentage share of total inland energy consumption
Nuclear and hydro-electricity
Natural gas
Coal
Petroleum
100
90
80
70
60
50
40
30
20
10
0
1972
1973
1974
1975
1976
1977
1978

Index of industrial production

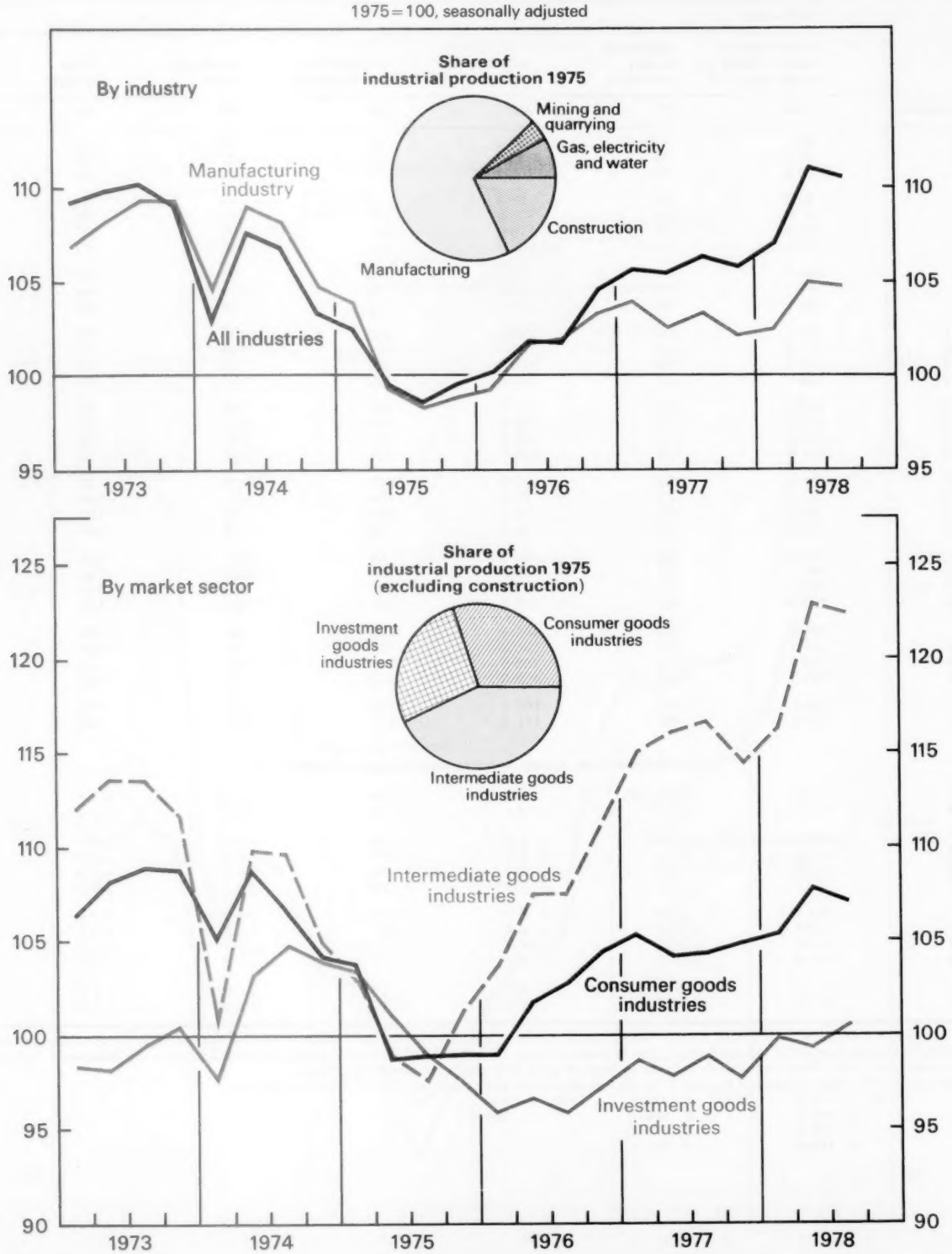
Seasonally adjusted

1975=100

		By industry				By market sector[1]		
	All industries covered §	Mining and quarrying	Manufacturing §	Construction[2]	Gas, electricity and water	Consumer goods industries	Investment goods industries	Intermediate goods industries
1975 weights	*1,000*	*41*	*697*	*182*	*80*	*243*	*218*	*349*
1967	91·2	132·6	87·8	111·6	72·6			
1968	97·0	132·4	94·1	114·4	77·0	86·9	90·6	100·7
1969	99·6	123·9	97·6	113·5	80·9	89·4†	95·7	102·9
1970	99·7	119·1	98·0	111·4	84·1	91·0	95·6	103·0
1971	99·8	119·1	97·4	113·3	87·3	93·3	93·7	102·1
1972	102·0	100·2	100·0	115·4	93·6	99·9	91·2	104·1
1973	109·5	110·2	108·4	118·2	99·3	108·0	99·0	112·6
1974	105·1	90·0	106·5	105·8	99·2	106·1	102·1	106·1
1975	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1976	102·0	125·7	101·4	98·5	102·9	101·9	96·2	107·4
1977	105·8	187·6	102·9	98·0	107·0†	104·7	98·1	115·5†
1973 *1*	109·2	115·5	106·9	121·4	98·3	106·3	98·2	111·9
2	109·7	115·6	108·1	118·3	100·5	108·1	98·0	113·5
3	110·1	113·0	109·2	117·9	98·6	108·9	99·4	113·5†
4	109·0	96·9	109·2	115·0	99·6	108·8	100·4	111·5
1974 *1*	102·6	59·9	104·4	109·8	92·1	104·9	97·4	100·4
2	107·6	99·5	109·0	108·1	99·0	108·8	102·9	109·6
3	106·9	101·8	108·1	105·1	103·0	106·6	104·6	109·5
4	103·4	98·7	104·7	100·2	102·6	104·1	103·6	104·7
1975 *1*	102·5	95·7	103·8	100·7	99·4	103·6	103·1	102·6
2	99·5	99·4	99·2	100·4	100·8	98·7	100·7	98·8
3	98·5	98·1	98·2	99·6	98·3	98·8	98·7	97·4
4	99·5	106·8	98·8	99·3	101·5	98·9	97·5	101·2
1976 *1*	100·1	109·7	99·1	100·2	103·7	98·9	95·6	103·5
2	101·8	121·1	101·7	97·7	102·7	101·7	96·5	107·4
3	101·7	125·8	101·8	96·4	100·2	102·6	95·7	107·4
4	104·5	146·2	103·2	99·8	104·9	104·4	97·0	111·4
1977 *1*	105·6	174·1	103·9	96·1	106·5	105·3	98·5	114·9
2	105·5	191·1	102·4	96·6	108·9	104·1	97·7	116·0
3	106·3	190·6	103·3†	98·5	107·6	104·3†	98·7	116·5
4	105·9†	194·7	102·1	100·7	105·2	104·9	97·5	114·4
1978 *1*	107·1	208·8†	102·5	101·5	108·3	105·3	99·8†	116·3
2	111·1	231·0	105·0	107·4	111·0	107·9	99·2	122·9
3	110·6	236·4	104·8		109·1	107·1	100·5	122·4
4								
1977 *A*	105·1	186	102·2	..	109	104	98	115
M	106·9†	196	104·2†	..	108	105	99	118
J	104·6	192	100·9	..	110	103	97	115
J	106·0	185	103·4	..	106	104	98	116
A	106·5	191	103·3	..	109	105	99	116
S	106·5	196	103·2	..	108	104	99	117
O	105·7	195	101·8	..	105	104	97	115
N	105·6	191	101·7	..	107	105†	98	114
D	106·4	198	102·8	..	104	106	98	115
1978 *J*	106·9	205	102·4	..	108	105	100	115
F	107·4	215	102·2	..	111	105	100	117
M	107·1	207†	102·9	..	106	106	100	116
A	111·4	223	105·5	..	114†	108	99	124
M	110·1	234	103·7	..	110	107	99†	121
J	111·7	236	105·9	..	109	109	100	124
J	111·1	237	105·2	..	111	106†	101	124
A	110·9	238	105·2	..	109	108	101	122
S	109·8	234	104·0	..	107	107	99	121

[1] All industries other than construction.

[2] For an index of construction output for Great Britain, incorporating the latest available information see page 30.


1975 = 100, seasonally adjusted
By industry
Share of industrial production 1975
Mining and quarrying
Gas, electricity and water
Construction
Manufacturing
Manufacturing industry
All industries
110
105
100
95
1973
1974
1975
1976
1977
1978
By market sector
Share of industrial production 1975 (excluding construction)
Investment goods industries
Consumer goods industries
Intermediate goods industries
Intermediate goods industries
Consumer goods industries
Investment goods industries
125
120
115
110
105
100
95
90

Index numbers of output

Seasonally adjusted

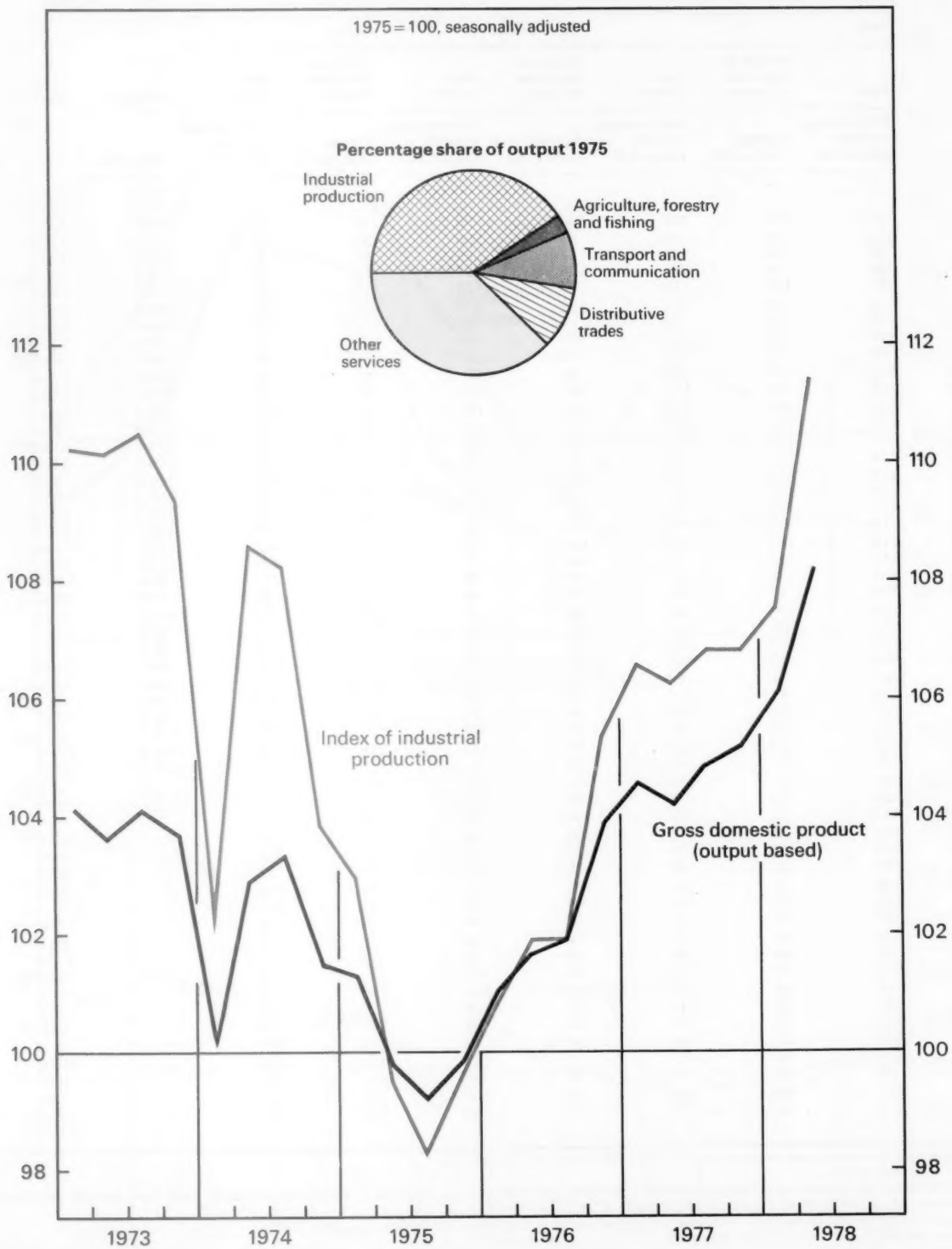
1975=100

	Gross domestic product (based on output data)[1,2] §	Agriculture, forestry and fishing	Industrial production[1] §	Transport and communication	Distributive trades	Other services
1975 weights	*1,000*	*28*	*407*	*88*	*101*	*376*
1968	90·1	93	97·3	81	90	85
1969	91·9	92	99·9	84	91	85
1970	93·4	98	100·1	87	93	88
1971	94·8	103	99·8	90	94	90
1972	97·8	106	101·8	94	99	93
1973	103·8	109	110·0	101	106	97
1974	101·9	110	105·6	101	103	97
1975	100·0	100	100·0	100	100	100
1976	102·1	92	102·5	99	101	103
1977	104·7	109	106·6	102	99	104
1973 *1*	104·1	109	110·2	100	107	97
2	103·6	109	110·1	101	104	97
3	104·1	109	110·5	102	106	97
4	103·7	110	109·3	102	106	97
1974 *1*	100·1	110	102·0	100	103	97
2	102·9	112	108·6	102	102	97
3	103·3	111	108·2	102	104	98
4	101·5	108	103·8	101	103	98
1975 *1*	101·3	103	102·9	101	103	99
2	99·8	101	99·5	100	101	100
3	99·2	99	98·2	100	98	100
4	99·8	97	99·6	98	98	101
1976 *1*	101·0	93	100·8	98	101	103
2	101·7	89	101·9	98	101	103
3	101·9	90	101·9	100	102	103
4	103·9	97	105·3	101	101	104
1977 *1*	104·6	105	106·6	102	100	104
2	104·2	109	106·2	100	98	104
3	104·9	112	106·8	102	100	104
4	105·2	112	106·8	102	100	105
1978 *1*	106·1	113	107·5	105	102	106
2	108·2	116	111·4	105	103	106
	Percentage change, quarter on corresponding quarter of previous year					
1975 *3*	*−3·9*	*−10·8*	*− 9·2*	*− 1·4*	*−5·4*	*+2·8*
4	*−1·7*	*−10·1*	*− 4·1*	*− 2·9*	*−4·4*	*+2·8*
1976 *1*	*−0·3*	*− 9·8*	*− 2·0*	*− 3·5*	*−2·0*	*+3·6*
2	*+1·9*	*−11·4*	*+ 2·4*	*− 2·1*	*+0·1*	*+3·8*
3	*+2·8*	*− 8·4*	*+ 3·8*	*− 0·6*	*+3·8*	*+3·1*
4	*+4·1*	*− 0·2*	*+ 5·8*	*+ 3·0*	*+3·2*	*+3·2*
1977 *1*	*+3·5*	*+12·6*	*+ 5·7*	*+ 4·7*	*−0·9*	*+1·4*
2	*+2·5*	*+21·6*	*+ 4·3*	*+ 2·1*	*−3·2*	*+0·8*
3	*+2·9*	*+24·0*	*+ 4·8*	*+ 2·2*	*−1·8*	*+1·0*
4	*+1·2*	*+15·7*	*+ 1·4*	*+ 0·7*	*−1·2*	*+0·8*
1978 *1*	*+1·5*	*+ 7·9*	*+ 0·8*	*+ 2·1*	*+1·9*	*+1·5*
2	*+3·8*	*+ 6·2*	*+ 4·9*	*+ 5·3*	*+5·4*	*+1·8*

[1] As from 1970 the figures are adjusted to allow for the use of delivery rather than production indicators to represent output in certain industries within manufacturing. An analysis of industrial production is given on page 26, but will differ from the series shown here because the adjustment included is not available monthly. There may also be differences because page 26 includes the latest information.

[2] Total output other than exploration for, and extraction of, petroleum and natural gas (MLH 104) is as follows:

1976	*1* 100·8	1977	*1* 103·2	1978	*1* 104·1
	2 101·2		*2* 102·5		*2* 105·8
	3 101·4		*3* 103·2		
	4 103·0		*4* 103·4		

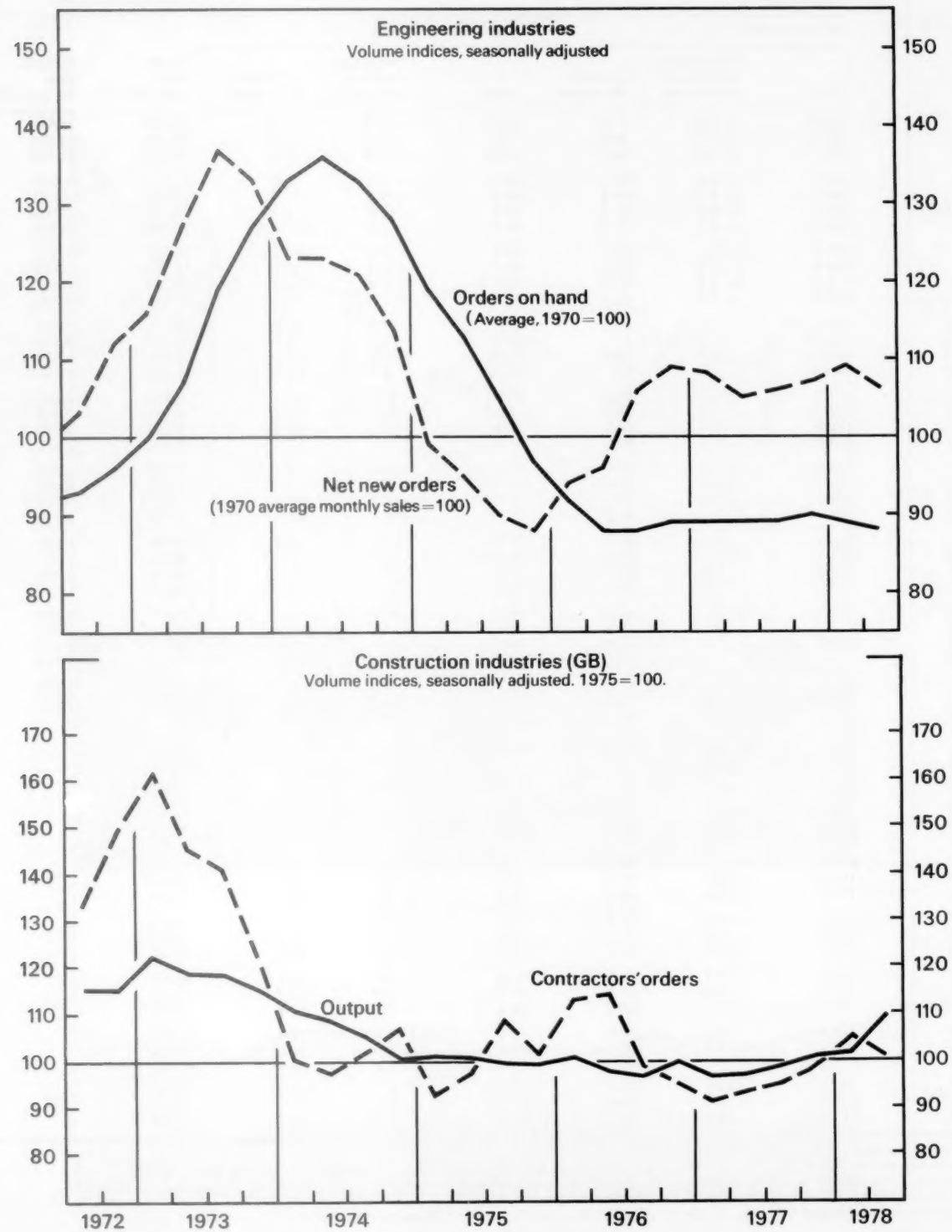

1975 = 100, seasonally adjusted
Percentage share of output 1975
Industrial production
Agriculture, forestry and fishing
Transport and communication
Distributive trades
Other services
112
110
108
106
104
102
100
98
Index of industrial production
Gross domestic product (output based)
1973
1974
1975
1976
1977
1978

Engineering and construction: output and orders

Seasonally adjusted volume index numbers

	Engineering industries[1]							Construction (GB)	
	Total			Home market		Export			
	Sales	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Output[3], [4]	Orders received[5]
	1970 average monthly sales=100	Average 1970=100	1970 average monthly sales=100	Average 1970=100	1970 average monthly sales=100	Average 1970=100	1970 average monthly sales=100	1975=100	1975=100
1967	..	..	..	..	..	..	..	115·3	154·4
1968	..	..	..	..	..	..	..	117·9	142·4
1969	97	101	100	102	99	100	102	118·6	133·7
1970	100	99	100	99	100	99	101	115·2[4]	131·1
1971	99	90	94	92	96	84	90	116·2	139·2
1972	100	96	104	100	107	89	96	116·9	146·3
1973	111	127	129	127	129	128	128	118·6	141·4
1974	115	128	115	122	110	142	128	106·3	101·1
1975	110	97	93	90	89	112	103	100·0	100·0
1976[5]	105	89	101	77	92	117	124	98·5	105·5
1977[5]	106	90	107	76†	98	121†	129	98·0	94·6
1972 *3*	100	93	103	96	107	87	90	115·5	132·5
4	106	96	112	100	115	89	104	115·5	148·5
1973 *1*	108	100	116	104	121	91	104	122·1	160·7
2	111	107	127	111	128	100	125	118·8	144·4
3	112	119	137	121	135	115	143	118·3	139·9
4	114	127	133	127	130	128	139	115·2	120·4
1974 *1*	111	133	123	128	113	143	148	110·4	98·9
2	115	136	123	129	116	151	140	108·7	96·7
3	117	133	111	127	110	148	115	105·7	101·8
4	116	128	104	122	102	142	110	100·4	106·8
1975 *1*	118	120	99	113	96	134	105	100·7	92·5
2	110	113	95	106	91	128	106	100·4	97·1
3	108	105	90	98	86	120	101	99·6	108·8
4	105	97	88	90	84	112	99	99·3	101·6
1976[5] *1*	104	92	94	86	88	108	110	100·3	112·6
2	106	88	95	81	91	102	107	97·6	114·5
3	105	88	106	79	95	108	135	96·3	99·7
4	105	89	109	77	95	117	144	99·9	95·2
1977[5] *1*	107†	89†	108†	76	100†	119†	131	96·1	91·0
2	106	89	105	75	95	121	133	96·5	93·3
3	106	89	106	75	97	120	130†	98·5	96·1
4	104	90	106	76	100	121	125	100·7	98·1
1978[5] *1*	110	89	109	77	103	118	124	101·5	101·8
2	108	88	106	76	101	115	118	109·6[5]	93·1
1977[5] *J*	111	89	111†	77	104	117	131	..	96·3
F	108	89	111	77	102†	118	133	..	82·3
M	103†	89	103	76†	93	119†	129	..	94·2
A	108	89	110	76	99	120	139	..	90·5
M	104	90	107	76	96	122	137	..	89·6
J	107	89	100	75	91	121	122†	..	99·9
J	108	88	104	75	99	119	118	..	87·8
A	105	89	110	75	98	121	142	..	91·8
S	107	89	104	75	94	120	129	..	108·5
O	106	89	107	75	99	120	128	..	84·6
N	101	89	100	76	98	118	106	..	100·0
D	105	90	113	76	102	121	141	..	109·7
1978[5] *J*	109	89	106	77	105	118	110	..	101·6
F	107	91	119	77	105	121	155	..	105·6
M	112	89	101	77	98	118	108	..	98·2
A	106	89	102	76	98	117	112	..	93·8
M	110	89	115	77	107	118	138	..	102·6
J	108	88	99	76	98	115	104	..	97·7
J	107	89	109	77	106	115	119	..	94·5
A	110	88	110	77	99	115	139	..	110·5[6]
S									113·8[6]

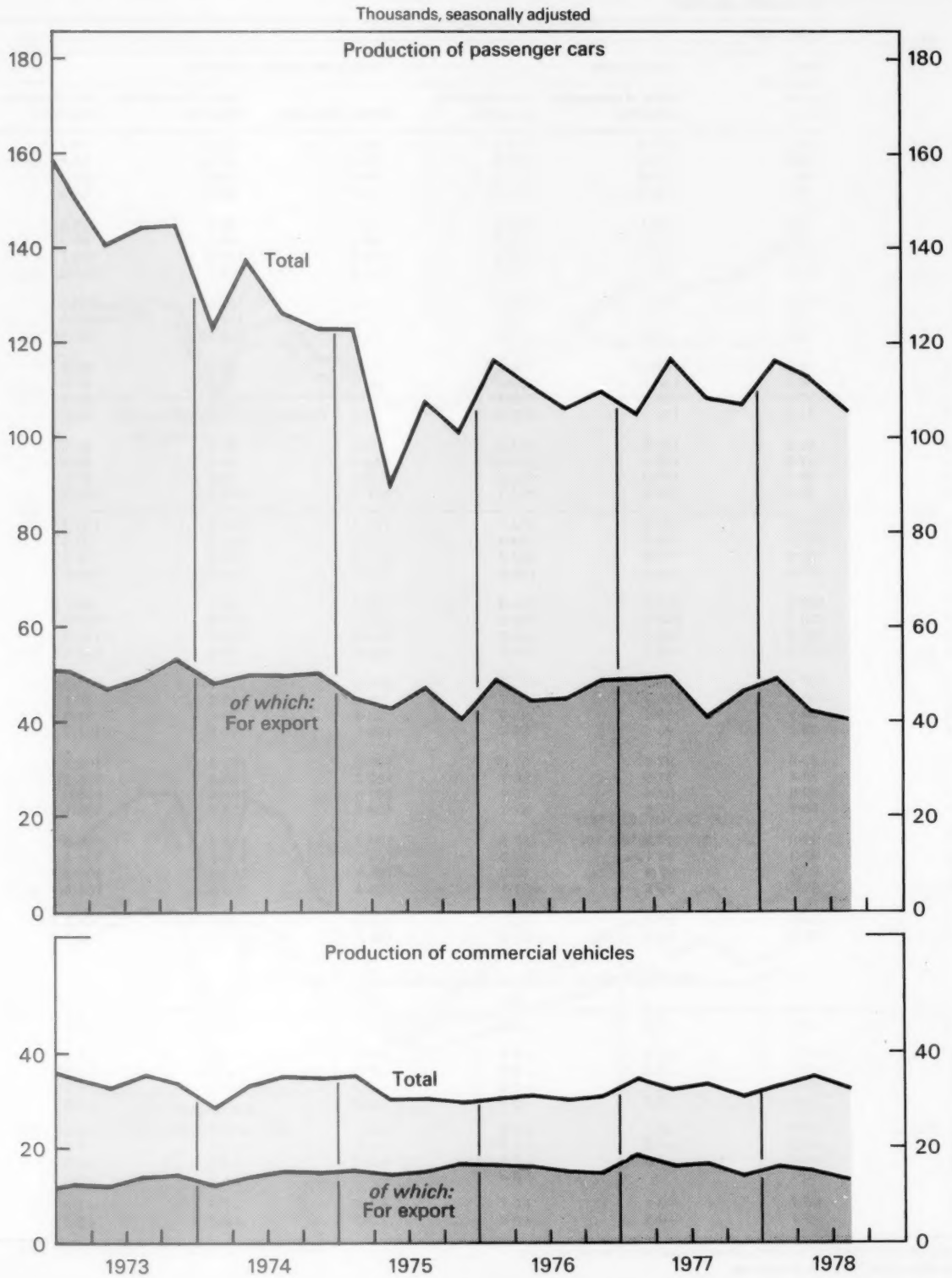
[1] Mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX).
[2] Net of cancellations.
[3] This index is based on an output series which includes repair and maintenance estimates of unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.
[4] Details of the method of deflation to constant prices are given in *Economic Trends*, No. 297, July 1978.
[5] Minor revisions have been made to the series. [6] Provisional.


Engineering industries
Volume indices, seasonally adjusted
150
140
130
120
110
100
90
80
Orders on hand
(Average, 1970=100)
Net new orders
(1970 average monthly sales=100)
Construction industries (GB)
Volume indices, seasonally adjusted. 1975=100.
170
160
150
140
130
120
110
100
90
80
Contractors' orders
Output
1972
1973
1974
1975
1976
1977
1978

Motor vehicle production and steel production and consumption

	Seasonally adjusted							
	Thousands[1]						Thousand tonnes	
	Passenger cars§			Commercial vehicles§				
	Total	*Percentage change on year earlier*	*of which:* For export	Total	*Percentage change on year earlier*	*of which:* For export	Crude steel production[2,3]	Finished steel consumption
1967	129·3	*− 3·2*	47·0	32·1	*−12·2*	11·6	24,257	15,840
1968	151·3	*+17·1*	66·9	34·1	*+ 6·3*	12·5	26,255	16,835
1969	143·1	*− 5·5*	68·7	38·8	*+13·8*	16·1	26,822	17,782
1970	136·7	*− 4·4*	60·2	38·1	*− 1·8*	15·8	27,792[4]	17,637[4]
1971	145·2	*+ 6·2*	59·5	38·0	*− 0·3*	15·7	24,153	16,722
1972	160·1	*+10·3*	51·1	34·0	*−10·6*	11·3	25,293	16·750
1973	145·6	*− 9·1*	50·4	34·7	*+ 2·1*	13·3	26,594	18,445
1974	127·8	*−12·2*	49·7	33·5	*− 3·4*	14·2	22,323	17,548
1975	105·6	*−17·4*	44·3	31·7	*− 5·4*	15·5	19,789[4]	15,446[4]
1976	111·1	*+ 5·2*	47·1	31·0	*− 2·3*	15·8	22,273	15,804
1977	109·7	*− 1·3*	46·9	33·2	*+ 7·0*	16·4	20,411	15 300
1973 *1*	152·2	*− 1·5*	50·8	35·4	*+ 9·9*	12·5	6,671	4,667
2	140·5	*−12·4*	47·7	33·6	*− 1·2*	12·1	6,415	4,333
3	144·6	*−10·3*	49·7	35·9	*+11·0*	14·1	6,954	4,599
4	145·1	*−11·7*	53·5	34·0	*− 9·4*	14·4	6,649	4,811
1974 *1*	123·2	*−19·1*	48·2	29·2	*−17·5*	12·3	5,218	4,357
2	137·9	*− 1·9*	50·0	33·9	*+ 0·9*	14·0	5,784	4,560
3	126·8	*−12·4*	50·0	35·8	*− 0·1*	15·6	5,763	4,252
4	123·5	*−14·9*	50·5	35·3	*+ 3·7*	14·9	5,599	4,379
1975 *1*	123·4	*+ 0·2*	45·5	35·6	*+22·2*	15·8	6,102	4,267
2	90·1	*−34·7*	43·4	30·6	*− 9·9*	14·7	4,661	3,695
3	108·0	*−14·8*	47·5	30·6	*−14·7*	15·2	4,231[5]	3,715[5]
4	101·1	*−18·1*	41·0	30·1	*−14·6*	16·5	4,719	3,769
1976 *1*	116·6	*− 5·5*	49·3	30·7	*−13·9*	16·3	5,480	4,076
2	111·4	*+23·6*	44·7	31·6	*+ 3·3*	16·1	5,731	3,887
3	106·4	*− 1·5*	45·3	30·5	*− 0·2*	15·6	5,375	3,785
4	110·0	*+ 8·9*	49·0	31·2	*+ 3·7*	15·2	5,650	4,056
1977 *1*	105·4	*− 9·7*	49·3	34·7	*+13·2*	18·6	5,417	3,744
2	116·9	*+ 5·0*	49·9	32·4	*+ 2·5*	16·3	4,908	3,758
3	108·8	*+ 2·3*	41·9	33·9	*+11·0*	16·5	5,419	3,974
4	107·5	*− 2·3*	46·5	31·8	*+ 1·7*	14·3	4,641	3,824
1978 *1*	116·8	*+10·8*	49·2	33·7	*− 3·1*	16·1	4,957	4,202
2	112·9	*− 3·5*	42·2	35·4	*+ 9·2*	15·4	5,306	3,949
3	106·2	*− 2·4*	41·2	32·7	*− 3·5*	13·8	4,751	
4								
1977 *J*	120·7	*+22·0*	57·6	36·7	*+27·3*	19·1	1,803	..
F	98·6	*−22·8*	47·1	33·3	*+ 5·4*	17·9	1,631	..
M	96·9	*−21·5*	43·2	34·2	*+ 8·2*	18·6	1,983[6]	..
A	121·5	*+18·4*	51·6	32·2	*+ 5·2*	17·5	1,453	..
M	121·6	*+ 6·5*	53·0	35·9	*+ 9·9*	17·8	1,536	..
J	107·6	*− 8·3*	45·0	29·2	*− 7·7*	13·5	1,919[6]	..
J	105·3	*−19·5*	40·7	33·4	*+ 1·8*	16·6	1,703	..
A	101·6	*+20·2*	35·7	34·3	*+25·7*	16·7	1,996[6]	..
S	119·6	*+15·0*	49·4	33·9	*+ 7·9*	16·1	1,720	..
O	103·0	*−10·5*	47·6	33·3	*+ 5·3*	15·2	1,506	..
N	103·9	*− 8·5*	46·0	29·9	*−11·0*	12·8	1,846[6]	..
D	115·7	*+14·0*	45·9	32·1	*+12·7*	15·0	1,289	..
1978 *J*	112·2	*− 7·1*	46·9	33·5	*− 8·7*	16·3	1,340	..
F	112·4	*+13·9*	43·9	31·1	*− 6·9*	15·2	1,523	..
M	125·9	*+30·0*	56·8	36·4	*+ 6·5*	16·9	2,094[6]	..
A	121·4	*− 0·1*	50·6	36·3	*+12·8*	16·7	1,684	..
M	106·2	*−12·6*	40·1	35·4	*− 1·4*	15·2	1,976[6]	..
J	111·0	*+ 3·1*	35·9	34·5	*+18·3*	14·4	1,646	..
J	91·8	*−12·8*	35·4	34·2	*+ 2·4*	14·3	1,701	..
A	115·1	*+13·3*	48·8	31·1	*− 9·3*	14·0	1,452[6]	..
S	111·8	*− 6·6*	39·4	32·7	*− 3·5*	13·0	1,598	..

[1] Monthly averages or standardised calendar months.
[2] The totals are for 'useable steel' in accordance with the system used by the EEC and the International Iron and Steel Institute.
[3] The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
[4] 53-week period; reduced to 52-week basis for comparison purposes.
[5] 14-week period; reduced to 13-week basis for comparison purposes.
[6] Five-week periods.


Thousands, seasonally adjusted
Production of passenger cars
180
160
140
120
100
80
60
40
20
0
Total
of which:
For export
Production of commercial vehicles
40
20
0
Total
of which:
For export
1973
1974
1975
1976
1977
1978

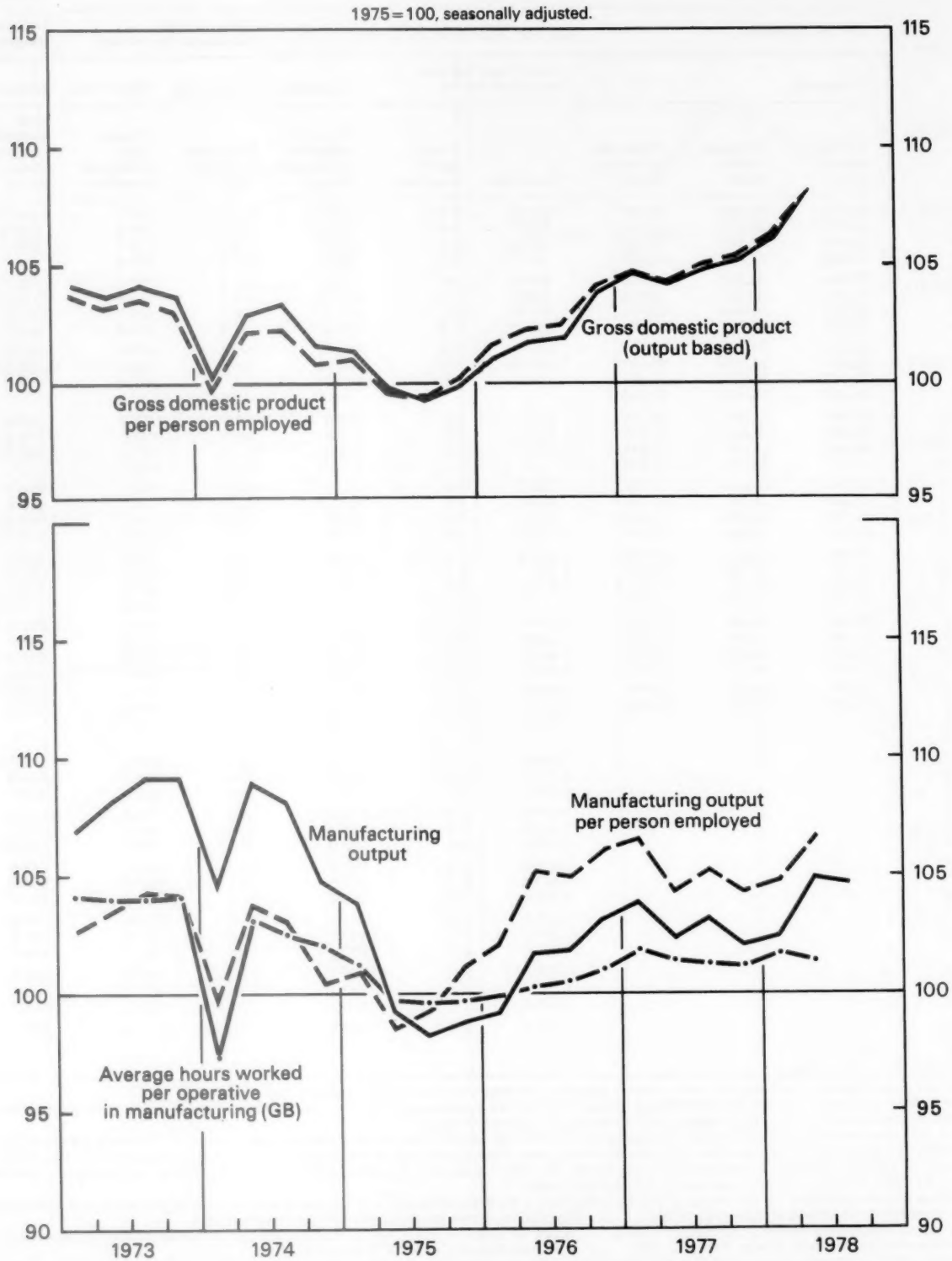
Output per person employed

Seasonally adjusted

1975=100

	Total employed labour force	Employment		Output per person employed[1]		
		Index of production industries	Manufacturing industries	Whole economy	Index of production industries	Manufacturing industries
1967	100·2	111·4	110·7	86·2	82·0	79·4
1968	99·8	111·1	109·9	90·3	87·4	85·7
1969	99·7	110·8	111·3	92·1	90·0	87·7
1970	99·3	109·3	111·0†	94·1	91·4	88·3
1971	97·6	106·1	107·4	97·1	94·2	90·8
1972	98·3	103·4	103·9	99·5	98·7	96·3
1973	100·4	104·7	104·5	103·4	104·6	103·7
1974	100·7	104·4	104·7	101·2	100·7	101·8
1975	100·0	100·0	100·0	100·0	100·0	100·0
1976	99·5	97·6	97·0	102·7	104·5	104·6
1977	99·8	97·8	97·8	104·9	108·1†	105·2†
1971 *1*	98·0	108·2	109·5	95·6	91·9	88·9
2	98·0	106·5	108·0	96·7	94·4	90·9
3	97·3	105·4	106·7	97·8	94·8	91·2
4	97·2	104·3	105·3	98·5	95·8	92·2
1972 *1*	97·9	103·5	104·4	96·5	93·2	91·1
2	97·9	103·4	104·0	100·0	99·4	96·0
3	98·4	103·3	103·8	100·0	99·9	97·1
4	99·0	103·6	103·7	101·3	102·5	100·9
1973 *1*	100·2	104·3	104·1	103·7	104·7	102·7
2	100·3	104·7	104·4	103·2	104·7	103·5
3	100·4	104·8	104·6	103·5	105·0	104·4
4	100·5	104·9	104·9	103·0	104·0†	104·1
1974 *1*	100·3	104·6	104·8	99·7	98·1	99·7
2	100·7	104·5	105·0	102·1	103·0	103·8
3	101·0	104·1	104·9	102·2	102·6	103·0
4	100·7	104·2	104·1	100·8	99·3	100·5
1975 *1*	100·3	101·9	102·7	101·0	100·7	101·0
2	100·1	100·4	100·7	99·6	99·2	98·5
3	99·9	99·4	98·9	99·3	99·1	99·3
4	99·7	98·4	97·7	100·1	101·1	101·2
1976 *1*	99·4	97·9	97·0	101·6	102·2	102·2
2	99·4	97·5	96·7	102·3	104·4	105·2†
3	99·5	97·4	96·9	102·5	104·4	105·0
4	99·7	97·6	97·3	104·3	107·1	106·1
1977 *1*	99·8	97·8	97·6	104·7	108·0	106·5
2	99·9	98·1	98·0	104·3	107·6	104·4
3	99·9	97·9	98·0	105·0	108·6	105·3
4	99·8	97·6	97·7	105·4	108·4	104·4
1978 *1*	99·9	97·7	97·7	106·3	109·6	104·8
2	100·0	97·6	97·6	108·2	113·2	106·7
	Percentage change, quarter on corresponding quarter of previous year					
1975 *3*	*−1·1*	*−4·5*	*−5·7*	*−2·8*	*−3·4*	*−3·6*
4	*−1·0*	*−5·6*	*−6·0*	*−0·7*	*+1·8*	*+0·7*
1976 *1*	*−0·9*	*−3·9*	*−5·6*	*+0·6*	*+1·5*	*+1·2*
2	*−0·7*	*−2·9*	*−4·0*	*+2·7*	*+5·2†*	*+6·8†*
3	*−0·4*	*−2·0*	*−2·0*	*+3·2*	*+5·3*	*+5·7*
4	—	*−0·8*	*−0·4*	*+4·2*	*+5·9*	*+4·8*
1977 *1*	*+0·4*	*−0·1*	*+0·6*	*+3·1*	*+5·7*	*+4·2*
2	*+0·5*	*+0·6*	*+1·3*	*+2·0*	*+3·1*	*−0·8*
3	*+0·4*	*+0·5*	*+1·1*	*+2·4*	*+4·0*	*+0·3*
4	*+0·1*	—	*+0·4*	*+1·1*	*+1·2*	*−1·6*
1978 *1*	*+0·1*	*−0·1*	*+0·1*	*+1·5*	*+1·5*	*−1·6*
2	*+0·1*	*−0·5*	*−0·4*	*+3·7*	*+5·2*	*+2·2*

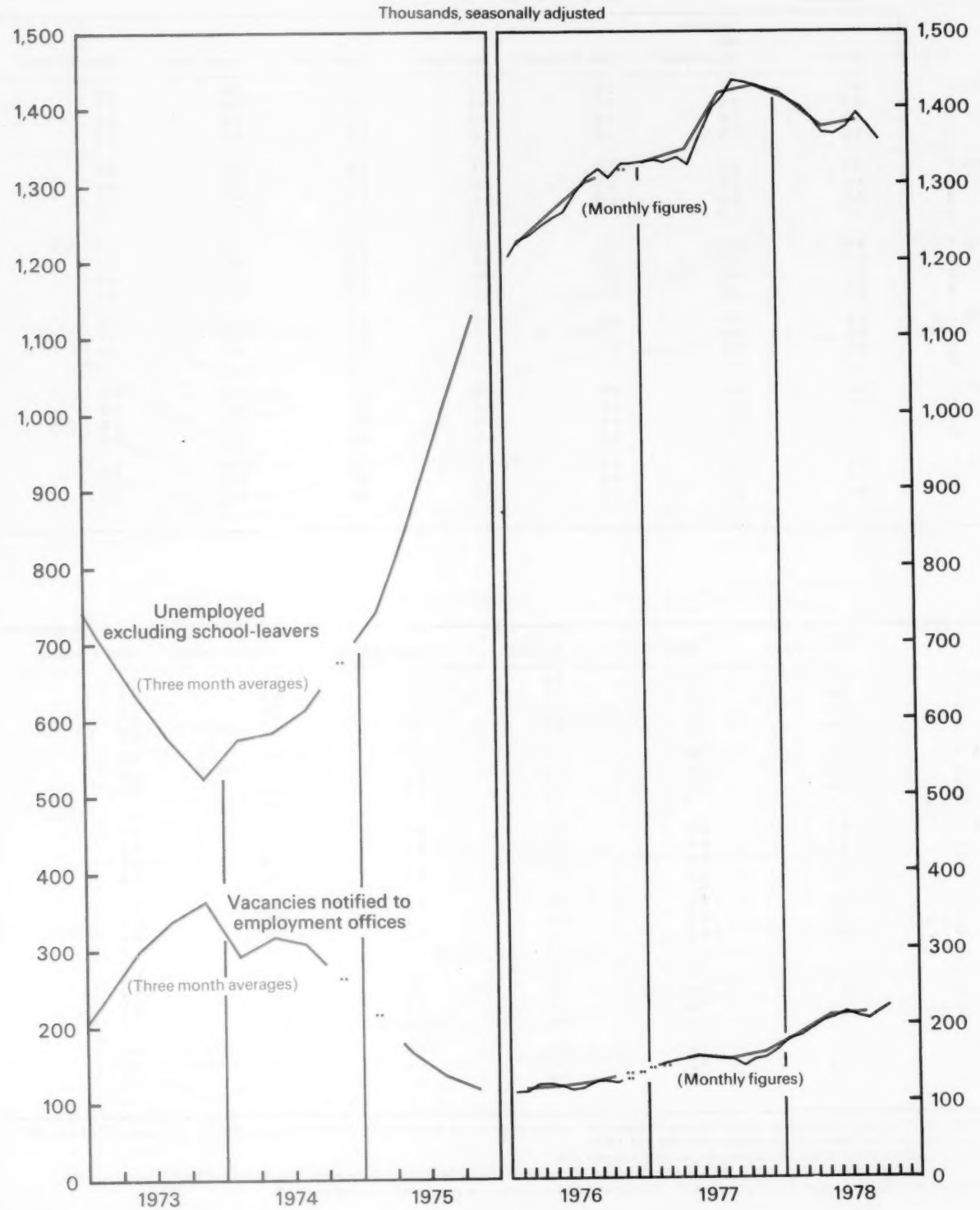
[1] The ratios do not take into account part-time working or hours of work.
[2] Figures after June 1976 are provisional.


1975=100, seasonally adjusted.
115
110
105
100
95
Gross domestic product
(output based)
Gross domestic product
per person employed
Manufacturing output
per person employed
Manufacturing
output
Average hours worked
per operative
in manufacturing (GB)
90
1973
1974
1975
1976
1977
1978

National employment and unemployment[1]

	Seasonally adjusted								Unadjusted
	United Kingdom						Great Britain Manufacturing industry		United Kingdom
	Thousands			Unemployed excluding school leavers		Thousands	1975=100	1975=100	Thousands
	Working population[2]	Employed labour force[2]	Employees in employment[2,3]	Thousands	Percentage of employees[4]	Vacancies notified to employment offices§	Employees in employment[2,3]	Average hours worked per operative[6]	Total unemployed including school leavers
1967	25,526	24,980	22,801	547·2	2·3	175·1	111·0	104·7	556·7
1968	25,412	24,826	22,640	574·4	2·4	189·5	110·0	105·6	583·3
1969	25,406	24,841	22,608	566·3	2·4	202·0	111·5	105·7	576·2
1970	25,336	24,732	22,458	602·0	2·6	188·3	111·3	104·6	612·2
1971	25,166	24,390	22,113	775·8	3·4	130·9	107·5	102·7	792·1
1972	25,243	24,384	22,114	854·9	3·7	147·3	103·8	102·2	875·6
1973	25,599	24,969	22,661	611·0	2·6	307·0	104·5	104·1	618·8
1974	25,655	25,061	22,791	599·7[5]	2·6[5]	301·6[5]	105·0	101·2	614·9[5]
1975	25,843	24,930	22,708	929·1	3·9	148·1[5]	100·0	100·0	977·6
1976	26,131	24,759	22,537	1,269·9[5]	5·3[5]	120·0[6]	96·7	100·4	1,358·8[5]
1977	26,360	24,870	22,657	1,378·1	5·8	155·6[5]	98·1	101·4	1,483·6
1978	26,382	24,902	22,698				97·5		
1974 1	25,580	24,984	22,704	574·5	2·5	292·6	104·7	97·3	624·9
2	25,655	25,061	22,791	581·6	2·5	317·9	105·0	103·1	570·2
3	25,752	25,141	22,879	613·0	2·6	308·2	104·8	102·5	628·3
4	..[7]	25,077	22,829	..[7]	..[7]	..[7]	103·8	102·0	..[7]
1975 1	25,760	24,965	22,732	735·2	3·1	..[7]	102·2	101·2	788·7
2	25,843	24,930	22,708	858·5	3·6	163·0	100·0	99·7	853·8
3	25,972	24,879	22,653	994·6	4·2	133·8	98·4[8]	99·6	1,095·5
4	26,030	24,822	22,597	1,128·2	4·8	115·5	97·4	99·7	1,172·3
1976 1	26,050	24,758	22,535	1,219·9	5·1	114·7	96·7	99·9	1,297·5
2	26,131	24,759	22,537	1,260·7	5·3	118·1	96·7	100·2	1,294·9
3	26,167[8]	24,775	22,551[8]	1,300·1	5·4	125·0	97·0	100·5	1,473·7
4	26,210	24,828	22,608	..[9]	..[9]	..[7]	97·3	101·0	..[9]
1977 1	26,249	24,849	22,633	1,329·5	5·6	..[7]	97·8	101·9	1,417·8
2	26,360	24,870	22,657	1,340·6	5·6	157·7	98·1	101·4	1,394·7
3	26,403	24,864	22,650	1,414·6	5·9	151·9	98·0	101·2	1,622·4
4	26,350	24,857	22,647	1,427·8	6·0	160·1	97·7	101·1	1,499·4
1978 1	26,364	24,882	22,675	1,409·4	5·9	187·7	97·7	101·7	1,506·1
2	26,382	24,902	22,698	1,372·7	5·7	210·3	97·5	101·4	1,428·2
3				1,380·6		213·0			
4									
1977 J	..	..	..	1,398·5	5·9	155·2	98·2	101·3	1,622·4
A	..	..	..	1,410·3	5·9	153·4	98·0	101·5	1,635·8
S	..	..	..	1,434·9	6·0	147·2	98·0	100·9	1,609·1
O				1,431·5	6·0	156·0	97·8	101·2	1,518·3
N	..	..	..	1,429·6	6·0	159·4	97·7	101·0	1,499·1
D	..	..	..	1,422·3	6·0	165·0	97·7	101·2	1,480·8
1978 J	..	..	..	1,419·2	5·9	180·3	97·7	101·7	1,548·5
F	..	..	..	1,409·0	5·9	187·0	97·7	101·6	1,508·7
M	..	..	..	1,400·0	5·9	195·8	97·7	102·0	1,461·0
A	..	..	..	1,387·1	5·8	203·7	97·6	101·6	1,451·8
M	..	..	..	1,366·4	5·7	209·9	97·6	101·6	1,386·8
J	..	..	..	1,364·7	5·7	217·4	97·5	101·1	1,446·1
J	..	..	..	1,371·4	5·7	211·0	97·6	101·3	1,585·8
A	..	..	..	1,392·1	5·8	209·3	97·4	101·0	1,608·3
S	..	..	..	1,378·3	5·8	218·7	97·2	101·3	1,517·7
O				1,359·6	5·7	228·4			1,429·5
N									
D									

[1] Unemployment figures do not include adult students registered for temporary employment during a current vacation.
[2] The working population consists of the employed labour force and the unemployed (including school-leavers); the employed labour force includes employers, self-employed and HM Forces as well as employees in employment.
[3] From 1971, the employees in employment estimates are based on annual census of employment. For the years before 1971 estimates are taken from the continuous employment series published in the October 1975 issue of the *Department of Employment Gazette*. Annual estimates relate to mid-year. From June 1976 the employee in employment figures for the UK which are provisional until the publication of the results of the Census of Employment for June 1977, include a constant component for Northern Ireland.
[4] The base used in calculating the percentage rate of unemployment is the appropriate mid-year estimate of total employees (employed and unemployed): the latest figure available is that for mid-1976.
[5] The figures shown are averages of eleven months figures.
[6] The figures shown are averages of ten months figures.
[7] Figure not available due to industrial action. For further details see note to page 129 of the *Department of Employment Gazette*, February 1975.
[8] Estimates after June 1976 are provisional.
[9] Because of industrial action by some staff in the Department of Employment group, figures for these months are not available.


Thousands, seasonally adjusted
1,500
1,400
1,300
1,200
1,100
1,000
900
800
700
600
500
400
300
200
100
0
Unemployed excluding school-leavers
(Three month averages)
Vacancies notified to employment offices
(Three month averages)
(Monthly figures)
(Monthly figures)
1973
1974
1975
1976
1977
1978

Regional unemployment rates[1]

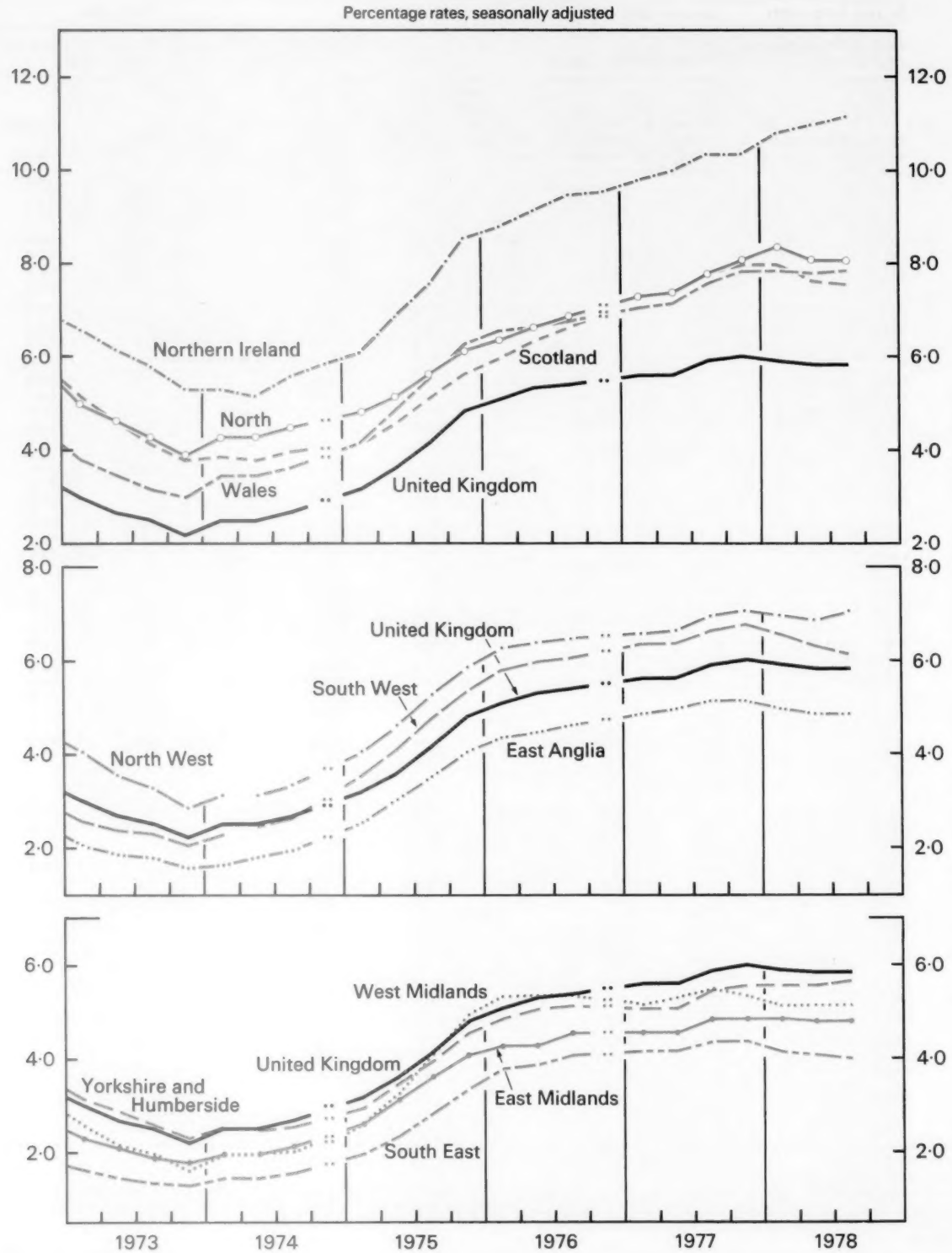
Seasonally adjusted

Per cent

	North[2]	Yorkshire and Humberside[2]	East Midlands[2]	East Anglia	South East[2]	South West[2]	West Midlands
1973 *1*	5·0	3·2	2·3	2·1	1·7	2·6	2·6
2	4·7	2·9	2·1	1·9	1·5	2·4	2·2
3	4·3	2·6	1·9	1·8	1·4	2·3	2·0
4	3·9	2·3	1·8	1·6	1·3	2·1	1·7
1974 *1*	4·3	2·6	2·0	1·7	1·5	2·3	2·0
2	4·3	2·5	2·0	1·8	1·5	2·5	2·0
3	4·5	2·6	2·2	2·0	1·6	2·7	2·1
4	..[3]	..[3]	..[3]	..[3]	..[3]	..[3]	..[3]
1975 *1*	4·8	3·0	2·7	2·6	2·0	3·6	2·7
2	5·2	3·5	3·2	3·1	2·4	4·2	3·5
3	5·7	4·0	3·7	3·6	2·9	4·8	4·2
4	6·2	4·6	4·1	4·1	3·4	5·4	5·0
1976 *1*	6·4	4·9	4·3	4·4	3·8	5·8	5·4
2	6·7	5·1	4·3	4·5	3·9	6·0	5·4
3	6·9	5·2	4·6	4·7	4·1	6·1	5·4
4	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]
1977 *1*	7·3	5·1	4·6	4·9	4·2	6·4	5·2
2	7·4	5·1	4·6	5·0	4·2	6·4	5·3
3	7·8	5·5	4·9	5·2	4·4	6·7	5·5
4	8·1	5·6	4·9	5·2	4·4	6·8	5·4
1978 *1*	8·4	5·6	4·9	5·0	4·2	6·6	5·2
2	8·1	5·6	4·8	4·9	4·1	6·3	5·2
3	8·1	5·7	4·8	4·9	4·0	6·2	5·2
4							

	North West[2]	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
1973 *1*	4·1	3·8	5·2	3·0	6·6	3·0
2	3·6	3·5	4·7	2·7	6·2	2·7
3	3·3	3·2	4·2	2·4	5·7	2·5
4	2·9	3·0	3·8	2·2	5·3	2·3
1974 *1*	3·2	3·5	3·9	2·4	5·3	2·5
2	3·2	3·5	3·8	2·4	5·2	2·5
3	3·4	3·7	3·9	2·6	5·6	2·6
4	..[3]	..[3]	..[3]	..[3]	5·9	..[3]
1975 *1*	4·1	4·2	4·2	3·1	6·1	3·1
2	4·7	4·9	4·6	3·6	6·9	3·6
3	5·3	5·6	5·2	4·1	7·6	4·2
4	5·9	6·3	5·7	4·7	8·6	4·8
1976 *1*	6·3	6·6	6·0	5·0	8·8	5·1
2	6·4	6·7	6·4	5·2	9·2	5·3
3	6·5	6·8	6·7	5·4	9·5	5·4
4	..[4]	..[4]	..[4]	..[4]	9·6	..[4]
1977 *1*	6·6	7·1	7·3	5·5	9·8	5·6
2	6·7	7·2	7·4	5·5	10·0	5·6
3	7·0	7·6	7·8	5·8	10·4	5·9
4	7·1	7·9	8·0	5·9	10·4	6·0
1978 *1*	7·0	7·9	8·0	5·8	10·8	5·9
2	6·9	7·8	7·7	5·6	11·0	5·8
3	7·1	7·9	7·6	5·7	11·2	5·8
4						

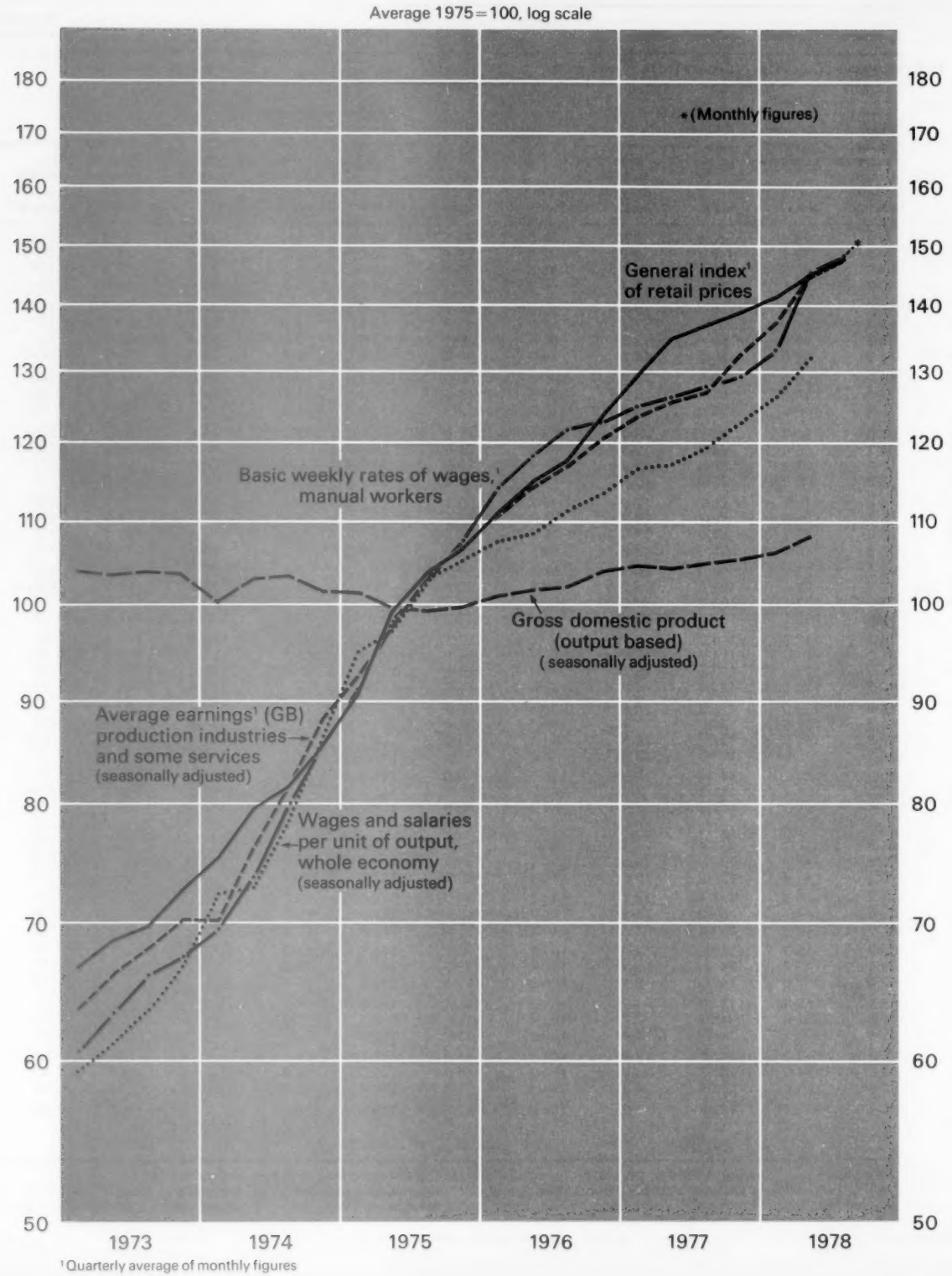
[1] Numbers unemployed excluding school-leavers expressed as a percentage of the appropriate mid-year estimate of total employees (employed and unemployed). The latest figure available is that for mid-1976.
[2] The boundaries of the standard regions were revised in April 1974.
[3] Figure not available due to industrial action. For further details see note on page 129 of the *Department of Employment Gazette*, February 1975.
[4] Because of industrial action by some staff in the Department of Employment group, figures are not available.


Percentage rates, seasonally adjusted
12·0
10·0
8·0
6·0
4·0
2·0
Northern Ireland
North
Wales
Scotland
United Kingdom
United Kingdom
South West
North West
East Anglia
West Midlands
United Kingdom
Yorkshire and Humberside
East Midlands
South East
1973
1974
1975
1976
1977
1978

Wage rates and earnings

	Unadjusted				Seasonally adjusted					
	31 July 1972 =100[1]		January 1976 =100		January 1970 =100				1975 =100	
	Basic weekly wage rates (manual workers)		Average earnings (GB)						Wages and salaries per unit of output	
	All industries and services	Manufacturing industry	New series: whole economy	*Percentage increase on year earlier*	Older series: production industries and some services	*Percentage increase on year earlier*	Manufacturing industry	*Percentage increase on year earlier*	Whole economy	Manufacturing industry
1967	63·9	63·6	..	..	81·8	*3·6*	81·1	*3·6*	42·4	42·4
1968	68·1	68·4	..	..	88·2	*7·8*	87·8	*8·2*	43·3	42·5
1969	71·7	72·1	..	..	95·2	*7·8*	94·9	*8·1*	44·7	45·2
1970	78·8	79·4	..	..	106·7	*12·1*	107·0	*12·7*	49·0	50·8
1971	89·0	89·3	..	..	118·7	*11·3*	118·9	*11·2*	53·6	55·6
1972	101·3	101·5	..	..	134·0[2]	..[3]	134·2[2]	..[3]	58·2	57·9
1973	115·2	114·6	..	..	152·1	..[3]	151·5	..[3]	62·7	61·2
1974	138·0	134·3	..	..	179·1	*17·8*	177·5	*17·2*	77·4	75·6
1975	178·7	174·4	..	..	226·6	*26·5*	223·8	*26·1*	100·0	100·0
1976	213·2	209·0	106·0	..	261·9	*15·6*	260·8	*16·5*	110·2	113·7
1977	227·3†	218·9	115·6	*9·1*†	288·5	*10·2*	287·6	*10·3*	118·9	125·3
1973 *1*	108·7	108·1	..	..	144·4	..[3]	143·7	..[3]	59·4	58·5
2	113·4	111·7	..	..	150·2	*14·9*	149·6	*13·8*	61·3	60·2
3	118·1	117·8	..	..	154·5	*14·5*	153·6	*13·2*	63·5	61·7
4	120·6	120·7	..	..	159·2	*12·5*	159·1	*13·3*	66·8	64·5
1974 *1*	124·3	122·7	..	..	159·1[4]	*10·2*[4]	157·4[4]	*9·5*[4]	72·2	67·3
2	131·7	128·0	..	..	172·5	*14·9*	171·2	*14·5*	72·8	71·6
3	143·2	139·4	..	..	185·1	*19·9*	184·0	*19·7*	78·4	77·9
4	152·7	147·1	..	..	199·6	*25·4*	197·5	*24·2*	86·2	85·9
1975 *1*	162·7	155·1	..	..	209·5	*31·6*	207·4	*31·8*	94·9	91·3
2	175·3	171·9	..	..	220·2	*27·6*	216·8	*26·6*	97·0	98·3
3	184·3	180·5	..	..	234·0	*26·4*	230·7	*25·4*	103·1	103·6†
4	192·6	190·1	..	..	242·7	*21·6*	240·6	*21·8*	105·1	107·0
1976 *1*	204·2	201·5	101·0	..	250·8	*19·7*	249·1	*20·1*	107·5	110·6
2	211·5	209·0	105·2	..	258·7	*17·5*	258·3	*19·2*	108·5	112·1
3	217·8	212·5	107·9	..	265·4	*13·4*	264·5	*14·7*	111·3	115·2
4	219·3	213·1	110·1	..	272·6	*12·3*	271·3	*12·8*	113·5	116·9
1977 *1*	223·3	215·7	111·8	*10·7*	280·0	*11·7*	278·5	*11·8*	116·4	120·2
2	225·9	217·9	114·5	*8·8*	285·3	*10·3*	284·2	*10·0*	117·1	124·0
3	228·7	220·2	116·4	*7·9*	288·3	*8·7*	287·3	*8·6*	119·4	125·5
4	231·2†	221·7	119·9	*8·9*	300·4	*10·2*	300·3	*10·7*	122·8	131·4
1978 *1*	237·6	225·8	123·1	*10·1*	310·8	*11·0*	311·5	*11·8*	126·6	136·3
2	260·4	263·6†	129·9	*13·5*	328·9	*15·3*	328·4	*15·5*	132·0	140·6
3	265·5	267·2								
4										
1977 *J*	228·2	219·3	117·0	*8·5*	286·3	*8·9*	285·4	*9·0*	..	125·2†
A	228·8	220·4	115·7	*7·3*	287·7	*8·0*	286·5	*8·1*	..	124·8
S	229·0	220·9	116·6	*7·7*	291·0	*9·1*	290·0	*8·9*	..	126·6
O	229·4	221·1	117·9	*8·7*	295·3	*9·6*	294·6	*9·5*	..	128·9
N	231·2†	222·0	120·1	*8·6*	300·5	*10·3*	300·7	*11·4*	..	131·7
D	232·9	222·0	121·7	*9·4*	304·8	*10·6*	305·6	*11·2*	..	133·5
1978 *J*	236·5	225·4	121·5	*9·5*	306·3	*10·2*	307·9	*11·4*	..	135·1
F	237·8	225·7	122·7	*10·5*	311·2	*11·5*	311·6	*12·1*	..	136·1
M	238·6	226·3	125·0	*10·4*	314·8	*11·2*	315·0	*12·0*	..	137·8
A	258·4	261·8	127·2	*12·4*	325·7	*14·8*	327·4	*15·7*	..	139·4
M	259·7	263·5	129·4	*12·6*	327·2	*14·5*	325·9	*14·5*	..	140·7
J	263·3	265·4	133·1	*15·4*	334·0	*16·6*	331·8	*16·4*	..	141·6
J	264·7	265·6	133·6	*14·2*	332·7	*16·2*	331·5	*16·1*	..	141·3
A	265·9	267·9	131·7†	*13·9*†	333·2†	*15·8*†	331·7	*15·8*	..	
S	265·9	267·9	134·2[5]	*15·0*[5]	337·8[5]	*16·1*[5]	336·2[5]	*16·0*[5]	..	
O	269·4	274·8								
N										
D										

[1] Prior to July 1972 the series was based on 31 January 1956 =100. Figures before July 1972 have therefore been linked.
[2] Average of 11 months. See footnote[3].
[3] In the absence of earnings data for February 1972 due to the effects of the coalmining dispute, no index of wages and salaries per unit of output or index of average earnings has been calculated for that month. The indices calculated for January and March 1972 are less reliable than usual.
[4] The figures reflect temporary reductions in earnings while three-day working and other restrictions were in operation.
[5] Provisional.



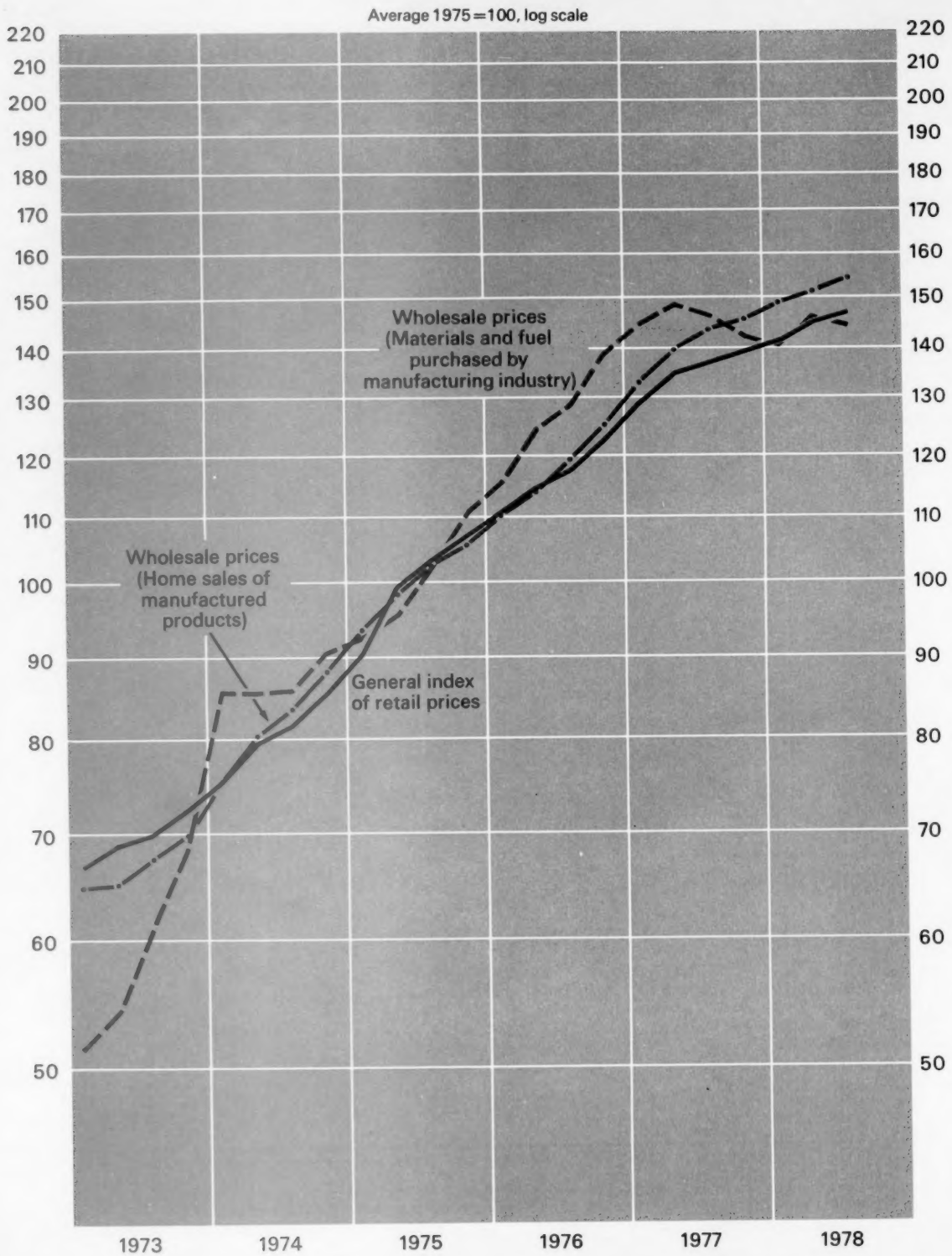
[1] Quarterly average of monthly figures

Prices

Unadjusted

		Average 1975=100									Average 1975=100p
		Wholesale prices index		General index of retail prices					Pensioner price index[1]		
		Materials and fuel purchased by manufacturing industry[2]	Output All manufactured products Home sales[3]	All items Index	All items *Percentage increase on year earlier*	Total food	Total non-food	All items other than seasonal food Index	All items other than seasonal food *Percentage increase on year earlier*	One person household	Two person household	Purchasing power of the pound[4]
1967		34·2	46·8	46·2	*2·5*	41·0	48·1	46·7	*2·4*	44·7	44·9	216
1968		37·2	48·7	48·4	*4·7*	42·6	50·5	48·9	*4·8*	46·8	46·9	207
1969		38·7	50·5	51·0	*5·4*	45·3	53·1	51·5	*5·2*	49·2	49·5	196
1970		40·7	54·1	54·2	*6·4*	48·5	56·3	54·8	*6·5*	52·7	52·8	184
1971		42·5	59·0	59·3	*9·4*	53·9	61·4	60·0	*9·5*	58·0	58·0	169
1972		44·4	62·1	63·6	*7·1*	58·6	65·3	64·1	*6·9*	62·4	62·3	157
1973		58·8	66·7	69·4	*9·2*	67·5	70·1	69·4	*8·3*	68·4	68·7	144
1974		86·8	81·8	80·5	*16·1*	79·6	80·8	80·5	*16·0*	79·5	79·8	124
1975		100·0	100·0	100·0	*24·2*	100·0	100·0	100·0	*24·2*	100·0	100·0	100
1976		127·0	117·3	116·5	*16·5*	120·0	115·6	115·8	*15·8*	119·1	118·8	86
1977		145·6	140·5	135·0	*15·8*	142·8	132·8	134·3	*16·0*	139·1	138·7	74
1973	*1*	51·3	64·7	66·7	*8·0*	63·6	67·8	67·0	*7·3*	65·9	65·9	150
	2	54·2	65·0	68·8	*9·3*	66·6	69·6	68·6	*8·1*	67·9	68·2	145
	3	61·3	67·2	69·9	*9·2*	67·8	70·6	70·0	*8·5*	68·6	68·9	143
	4	68·2	69·9	72·3	*10·3*	71·8	72·4	72·2	*9·2*	71·5	71·7	138
1974	*1*	85·5	75·2	75·2	*12·9*	75·7	75·1	75·2	*12·3*	74·9	75·1	133
	2	85·3	80·5	79·7	*15·9*	78·4	80·1	79·6	*16·0*	77·9	78·6	125
	3	85·6	83·7	81·7	*17·0*	79·8	82·4	81·9	*17·0*	80·4	80·8	122
	4	90·6	88·0	85·4	*18·2*	84·5	85·7	85·5	*18·5*	84·6	84·8	117
1975	*1*	92·2	93·7	90·5	*20·3*	91·4	90·2	90·7	*20·7*	89·9	89·9	110
	2	95·5	98·5	99·1	*24·3*	99·8	98·8	99·0	*24·4*	99·5	99·6	101
	3	101·8	102·1	103·4	*26·5*	102·5	103·7	103·4	*26·3*	103·1	103·3	97
	4	110·5	105·7	107·0	*25·3*	106·1	107·3	106·9	*25·0*	107·4	107·3	93
1976	*1*	115·4	110·3	110·9	*22·5*	113·6	110·1	110·1	*21·3*	112·8	112·6	90
	2	124·6	114·5	114·9	*16·0*	117·7	114·1	113·9	*15·1*	117·3	116·9	87
	3	128·9	119·2	117·6	*13·7*	119·1	117·1	117·3	*13·4*	119·6	119·2	85
	4	138·9	125·2	123·0	*15·0*	129·6	121·0	122·0	*14·0*	126·9	126·4	81
1977	*1*	144·8	133·0	129·2	*16·5*	138·6	126·4	127·7	*16·1*	132·6	132·9	77
	2	148·8	139·6	134·9	*17·4*	143·3	132·5	133·6	*17·3*	138·4	138·4	74
	3	146·5	143·8	137·0	*16·5*	144·1	135·0	136·8	*16·7*	141·6	140·7	73
	4	142·2	145·8	139·0	*13·0*	145·0	137·3	139·3	*14·2*	143·9	142·9	72
1978	*1*	140·2	149·2	141·4	*9·5*	148·0	139·5	141·6	*10·9*	146·3	145·5	71
	2	146·3	151·8	145·3	*7·7*	152·9	143·1	145·2	*8·6*	150·0	149·3	69
	3	144·9[5]	154·7[5]	147·8	*7·9*	154·7	145·9	148·2	*8·3*	151·9	151·3	68
	4											
1977	*J*	147·9	143·2	136·4	*17·6*	144·0	134·1	135·8	*17·0*	..	..	73
	A	145·9	143·8	137·0	*16·5*	144·0	135·0	136·9	*16·7*	..	..	73
	S	145·6	144·4	137·8	*15·6*	144·4	135·8	137·8	*16·4*	..	..	73
	O	143·7	145·3	138·4	*14·1*	144·3	136·7	138·6	*15·0*	..	..	72
	N	142·0	145·7	139·0	*13·0*	144·7	137·4	139·3	*14·2*	..	..	72
	D	141·0	146·3	139·8	*12·1*	146·1	137·9	139·9	*13·3*	..	..	72
1978	*J*	139·4	148·3	140·6	*9·9*	147·1	138·7	140·8	*11·3*	..	..	71
	F	139·1	149·2	141·4	*9·5*	148·0	139·5	141·7	*11·0*	..	..	71
	M	142·0	150·0	142·3	*9·1*	148·8	140·4	142·4	*10·4*	..	..	70
	A	145·1	150·9	144·4	*7·9*	151·2	142·4	144·3	*9·1*	..	..	69
	M	146·8	151·9	145·2	*7·7*	152·4	143·1	145·2	*8·6*	..	..	69
	J	147·0	152·7	146·3	*7·4*	155·1	143·8	146·0	*8·1*	..	..	68
	J	145·8	153·8	147·0	*7·8*	154·6	144·8	147·1	*8·3*	..	..	68
	A	144·2	154·8	147·9	*8·0*	154·7	146·0	148·3	*8·4*	..	..	68
	S	144·8[5]	155·6[5]	148·5	*7·8*	154·8	146·8	149·1	*8·2*	..	..	67
	O	145·7[5]	156·4[6]	149·2	*7·8*	154·2	147·7	149·8	*8·1*	..	..	67
	N											
	D											

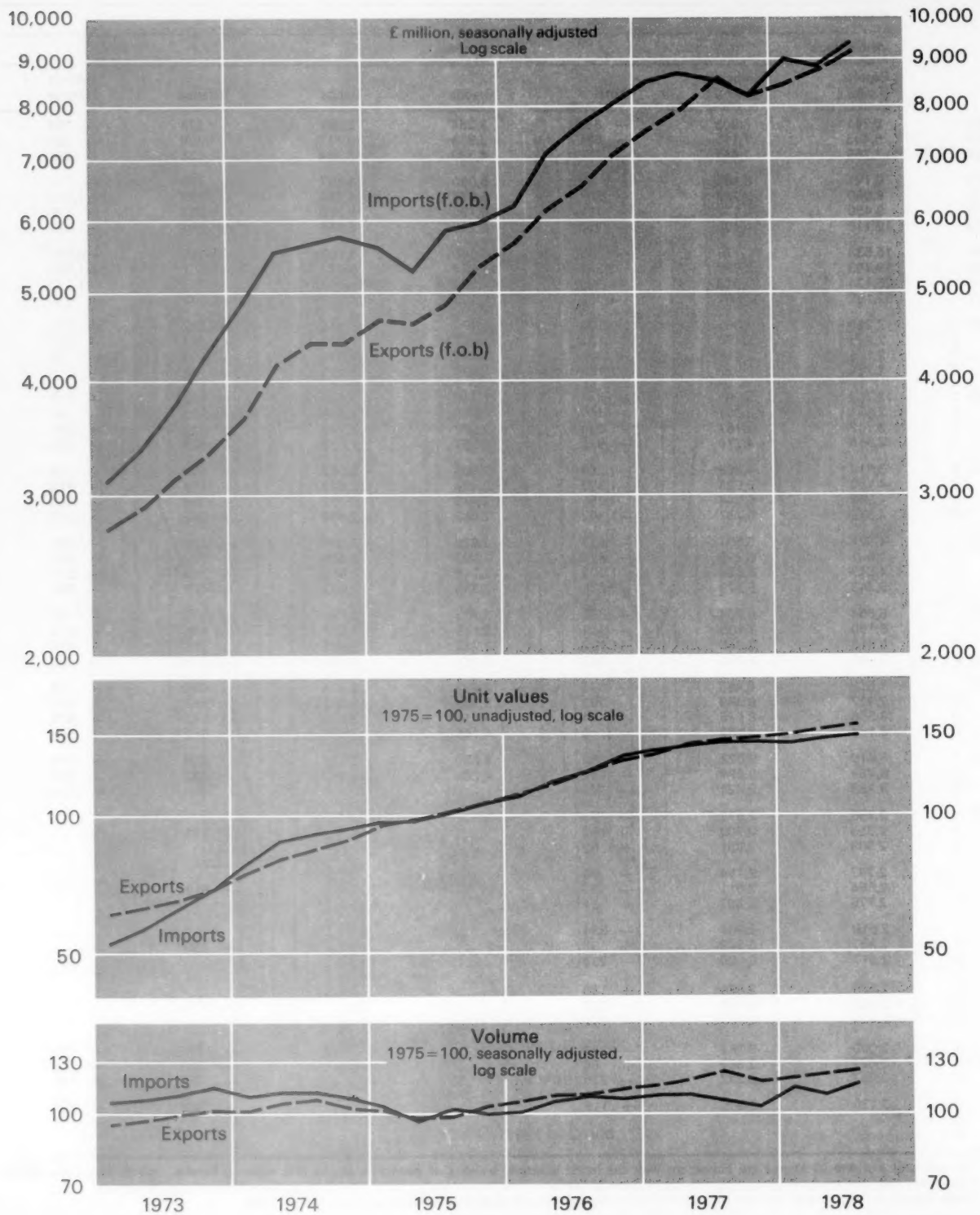
[1] All items except housing. [2] Revised method of calculation to include levies on certain imported foods from 3rd quarter 1971.
[3] Reductions in the VAT-exclusive prices of alcoholic liquor, tobacco and cigarettes, matches and mechanical lighters took place in April 1973. These reductions resulted from lower revenue duties designed to offset additional tax revenue from VAT. With unchanged prices in April for these products index numbers from 2nd quarter 1973 onwards would have been higher by 1·7.
[4] Movements in the purchasing power of the pound are based on movements in the general index of retail prices. [5] Provisional.


Average 1975=100, log scale
220
210
200
190
180
170
160
150
140
130
120
110
100
90
80
70
60
50
Wholesale prices
(Materials and fuel
purchased by
manufacturing industry)
Wholesale prices
(Home sales of
manufactured
products)
General index
of retail prices
1973
1974
1975
1976
1977
1978

Visible trade

	Seasonally adjusted		Unadjusted					
	1975=100		1975=100			1975=100	1970=100	December 1971=100
	Volume indices[1]		Unit value indices[1]					
	Exports	Imports	Exports	Imports	Terms of trade[2]	Export price competitiveness index[3]	World commodity prices index[4]	Sterling effective exchange rate
1967	61·6	70·0	42·9	35·0	122·7	110·7	80	..
1968	70·0	77·1	46·3	39·3	117·8	104·1	91	..
1969	76·9	77·8	47·8	40·5	118·2	103·4	96	..
1970	80·1	82·5	51·0	42·3	120·4	104·5	100	..
1971	85·4	85·7	53·9	44·3	121·7	106·7	105	..
1972	85·2	95·3	56·9	46·7	121·8	106·6	116	95·2
1973	97·8	108·7	64·0	59·6	107·4	97·6	168	86·3
1974	104·3	109·7	81·7	87·4	93·5	96·2	295	83·6
1975	100·0	100·0	100·0	100·0	100·0	100·0	300	77·2
1976	109·8	105·7	120·7	121·6	99·3	97·8	385	65·4
1977	118·9	107·1	142·4	141·4	100·7	102·4	434	62·1
1973 *1*	94·1	104·9	60·5	52·0	116·3	101·5†	141	88·8
2	96·2	106·5	62·3	56·0	111·4	101·1	153	89·3
3	99·8	109·5	64·9	62·1	104·5	94·3	174	84·2
4	101·2	114·0	68·1	68·2	99·9	93·4	205	83·0
1974 *1*	101·0	108·2	74·1	78·3	94·6	95·0	298	83·1
2	106·2	111·3	80·3	87·8	91·4	96·6	287	84·7
3	107·6	110·7	84·1	90·4	93·1	96·5	292	84·2
4	102·4	108·5	88·2	92·9	94·9	96·7	303	82·6
1975 *1*	100·9	102·0	95·2	96·4	98·7	99·5	287	81·7
2	97·0	95·7	97·5	97·0	100·5	99·1	284	79·1
3	98·0	102·5	101·6	100·8	100·8	100·3	306	75·2
4	104·1	99·7	105·7	105·7	100·0	101·2	324	73·0
1976 *1*	106·2	100·2	110·7	109·8	100·8	103·2	338	72·0
2	109·7	106·3	116·9	118·4	98·8	96·8	381	65·8
3	110·1	109·0	123·9	124·4	99·6	97·8	395	64·1
4	113·4	107·1	131·3	133·7	98·2	93·3	423	59·6
1977 *1*	115·8	109·4	135·7	137·2	98·9	97·9	440	61·8
2	118·0	109·6	141·4	141·0	100·3	101·6	450	61·6
3	124·4	106·6	145·2	143·7	101·0	103·3	432	61·8
4	117·6	102·7	147·3	143·8	102·4	107·0	412	63·3
1978 *1*	120·0†	114·1	149·5†	142·6	104·8†	110·0[5]	394	65·4
2	122·5	110·4†	153·7	147·0†	104·6		417[5]	61·5
3	126·1	116·0	157·1	149·3	105·2		402[6]	62·4
4								
1977 *J*	123·3	110·7	143·8	144·0	99·9	..	..	61·0
A	123·6	101·6	145·7	143·5	101·5	..	..	62·0
S	126·2	107·6	146·0	143·5	101·7	..	..	62·4
O	119·0	101·4	147·0	144·6	101·7	..	..	62·5
N	115·1	98·5	146·8	143·4	102·4	..	..	63·6
D	118·8	108·1	148·0	143·4	103·2	..	..	63·8
1978 *J*	111·7	114·4	149·5	141·8	105·4	..	..	66·0
F	127·5†	111·1	149·0†	142·6	104·5†	..	..	66·0
M	120·9	116·7	150·1	143·4	104·7	..	..	64·1
A	126·1	104·4†	151·5	145·6	104·1	..	..	61·8
M	119·5	114·8	154·7	146·9†	105·3	..	..	61·5
J	122·0	111·9	154·9	148·6	104·2	..	..	61·3
J	127·1	116·1	155·7	149·0	104·5	..	..	62·1
A	125·2	111·2	157·3	148·8	105·7	..	..	62·4
S	125·9	120·7	158·3	150·1	105·5	..	..	62·7
O	128·2[5]	111·8[5]	158·8[5]	150·9[5]	105·2[5]			62·5
N								
D								

[1] On a balance of payments basis. Changes have been made to the methodology of the index numbers. For further details see *Trade and Industry* of 8 September 1978.
[2] Unit value index for exports expressed as a percentage of unit value index for imports.
[3] The ratio of UK to weighted average export (dollar) prices for major competitors in respect of manufactured goods.
[4] Weighted average, in sterling terms, of United Nations Index numbers for primary commodities and non-ferrous metals.
[5] Provisional. [6] Projection by the Department of Industry.


£ million, seasonally adjusted
Log scale
Imports(f.o.b.)
Exports (f.o.b)
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
Unit values
1975=100, unadjusted, log scale
Exports
Imports
150
100
50
Volume
1975=100, seasonally adjusted, log scale
Imports
Exports
130
100
70
1973
1974
1975
1976
1977
1978

Balance of payments: current account

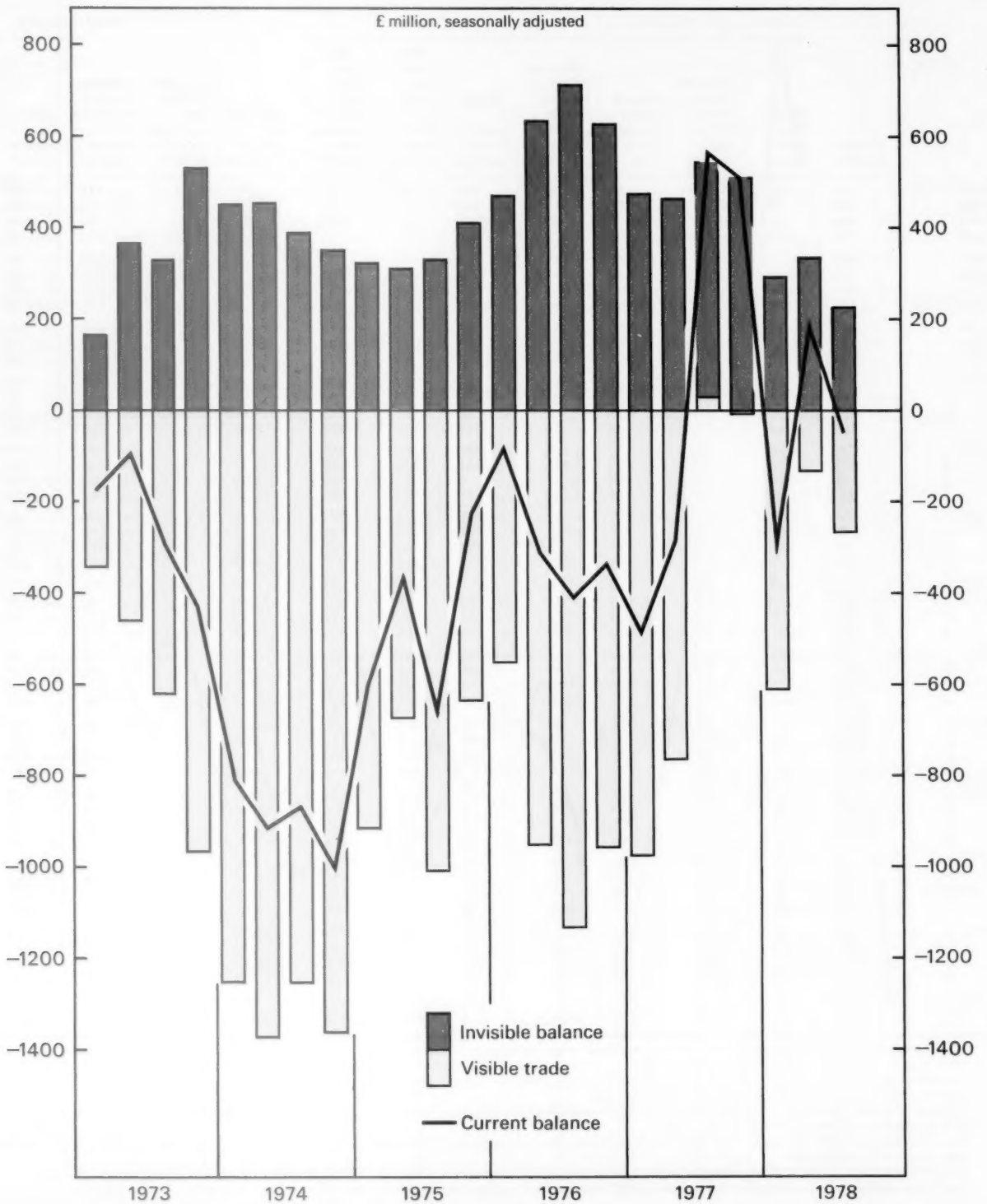
Seasonally adjusted

£ million

		Visible trade[1]			Invisibles			
		Exports (f.o.b.) §	Imports (f.o.b.) §	Total	Credits	Debits	Balance	Current balance
1967		5,241	5,808	− 567	3,264	2,991	+ 273	− 294
1968		6,433	7,115	− 682	3,813	3,417	+ 396	− 286
1969		7,269	7,441	− 172	4,339	3,704	+ 635	+ 463
1970		8,121	8,163	− 42	5,030	4,257	+ 773	+ 731
1971		9,060	8,799	+ 261	5,573	4,744	+ 829	+1,090
1972		9,450	10,172	− 722	6,135	5,278	+ 857	+ 135
1973		12,115	14,498	−2,383	8,240	6,856	+1,384	− 999
1974		16,538	21,773	−5,235	10,046	8,402	+1,644	−3,591
1975		19,463	22,699	−3,236	11,024	9,643	+1,381	−1,855
1976		25,424	29,013	−3,589	14,354	11,902	+2,452	−1,137
1977		32,182	33,891	−1,709	16,135	14,137	+1,998	+ 289
1972	*1*	2,258	2,361	− 103	1,476	1,254	+ 222	+ 119
	2	2,343	2,470	− 127	1,517	1,270	+ 247	+ 120
	3	2,115	2,418	− 303	1,555	1,351	+ 204	− 99
	4	2,734	2,923	− 189	1,587	1,403	+ 184	− 5
1973	*1*	2,753	3,094	− 341	1,749	1,586	+ 163	− 178
	2	2,901	3,361	− 460	2,047	1,684	+ 363	− 97
	3	3,147	3,767	− 620	2,057	1,728	+ 329	− 291
	4	3,314	4,276	− 962	2,387	1,858	+ 529	− 433
1974	*1*	3,618	4,868	−1,250	2,483	2,032	+ 451	− 799
	2	4,152	5,524	−1,372	2,496	2,042	+ 454	− 918
	3	4,393	5,644	−1,251	2,479	2,092	+ 387	− 864
	4	4,375	5,737	−1,362	2,588	2,236	+ 352	−1,010
1975	*1*	4,674	5,591	− 917	2,628	2,305	+ 323	− 594
	2	4,601	5,275	− 674	2,693	2,380	+ 313	− 361
	3	4,845	5,854	−1,009	2,748	2,415	+ 333	− 676
	4	5,343	5,979	− 636	2,955	2,543	+ 412	− 224
1976	*1*	5,654	6,204	− 550	3,221	2,750	+ 471	− 79
	2	6,160	7,109	− 949	3,478	2,842	+ 636	− 313
	3	6,513	7,645	−1,132	3,743	3,027	+ 716	− 416
	4	7,097	8,055	− 958	3,912	3,283	+ 629	− 329
1977	*1*	7,512	8,485	− 973	3,922	3,444	+ 478	− 495
	2	7,927	8 689	− 762	3,957	3,492	+ 465	− 297
	3	8,556	8,525	+ 31	4,115	3,572	+ 543	+ 574
	4	8,187	8,192	− 5	4,141	3,629	+ 512	+ 507
1978	*1*	8,410	9,022	− 612	4,230	3,935	+ 295	− 317
	2	8,759	8,894	− 135	4,295	3,962	+ 333	+ 198
	3	9,152	9,421	− 269				
1977	*J*	2,798	2,971	− 173	..	..		..
	A	2,855	2,703	+ 152	..	..	+ 543	..
	S	2,903	2,851	+ 52	..	..		..
	O	2,747	2,714	+ 33	..	..		..
	N	2,664	2,611	+ 53	..	..	+ 512	..
	D	2,776	2,867	− 91	..	..		..
1978	*J*	2,610	2,964	− 354	..	..		..
	F	2,987†	2,949	+ 38†	..	..	+ 295	..
	M	2,817	3,109	− 292	..	..		..
	A	2,995	2,809†	+ 186	..	..		..
	M	2,863	3,098	− 235	..	..	+ 333	..
	J	2,924	3,025	− 101	..	..		..
	J	3,050	3,184	− 134	..	..	+ 75[2]	− 59†
	A	3,027	2,959	+ 68	..	..	+ 75[2]	+ 143
	S	3,057	3,272	− 215	..	..	+ 75[2]	− 140
	O	3,120	3,001	+ 119	..	..	+ 90[2]	+ 209
	N							
	D							

[1] The quarterly and annual figures are consistent with the latest quarterly balance of payments article. The monthly figures, which may incorporate subsequent revisions are as published by the Department of Trade.

[2] These figures are projections and are subject to revision as the relevant statistical information becomes available.


£ million, seasonally adjusted
800
600
400
200
0
−200
−400
−600
−800
−1000
−1200
−1400
Invisible balance
Visible trade
Current balance
1973
1974
1975
1976
1977
1978

Analysis of capital transactions and official financing [1]

£ million

Not seasonally adjusted

	Investment and other capital transactions									Official financing	
	Current balance	Official long-term capital	Overseas investment in UK public sector [2]	Private sector investment (net)	Overseas currency borrowing or lending (net) by UK banks [2]	Change in external sterling liabilities	Trade credit [3] and other short-term transactions	Balancing item and other capital transactions [4]	Balance for official financing [5]	Allocation of SDR and gold subscription to IMF	Drawings on (+)/ additions to (−) official reserves [6]	Other transactions (net) [7]
1967	− 294	− 59	+ 54	− 96	+ 36	− 286	−146	+120	− 671	—	+ 115	+ 556
1968	− 286	+ 16	+ 16	− 160	− 15	− 308	−305	−368	−1,410	—	+ 114	+1,296
1969	+ 463	− 99	− 56	− 6	− 38	+ 261	−227	+389	+ 687	—	− 44	− 643
1970	+ 731	−205	− 10	+ 56	+472	+ 459	−195	− 21	+1,287	+133	− 125	−1,295
1971	+1,090	−274	+107	+ 211	+471	+1,422	−128	+247	+3,146	+125	−1,536	−1,735
1972	+ 135	−255	+120	− 588	+471	+ 196	−613	−731	−1,265	+124	+ 692	+ 449
1973	− 999	−254	+175	− 90	+525	+ 154	−345	+ 63	− 771	—	− 228	+ 999
1974	−3,591	−276	+252	+1,169	−294	+1,558	−712	+248	−1,646	—	− 105	+1,751
1975	−1,855	−288	+ 43	+ 416	+235	− 67	− 61	+112	−1,465	—	+ 655	+ 810
1976	−1,137	−158	+203	− 95	−106	−1,152	−1,588	+404	−3,629	—	+ 853	+2,776
1977	+ 289	−291	+2,182	+ 737	+384	+1,452	− 54	+2,662	+7,361	—	−9,588	+2,227
1969 *1*	− 18	− 29	− 31	− 3	+ 14	+ 124	− 27	+242	+ 272	—	− 20	− 252
2	+ 165	− 11	+ 23	− 7	− 21	+ 50	− 99	− 38	+ 62	—	+ 11	− 73
3	+ 154	+ 29	− 65	+ 38	− 7	− 60	− 27	−142	− 80	—	+ 4	+ 76
4	+ 162	− 88	+ 17	− 34	− 24	+ 147	− 74	+327	+ 433	—	− 39	− 394
1970 *1*	+ 235	− 48	+ 3	+ 37	+125	+ 283	+ 66	+214	+ 915	+171	− 76	−1,010
2	+ 166	− 38	− 3	+ 123	+123	+ 158	−136	−166	+ 227	—	− 34	− 193
3	+ 88	− 20	− 23	− 83	− 24	+ 3	− 14	−129	− 202	—	+ 52	+ 150
4	+ 242	− 99	+ 13	− 21	+248	+ 15	−111	+ 60	+ 347	− 38	− 67	− 242
1971 *1*	+ 66	− 46	+ 70	+ 115	+ 84	+ 285	+ 70	+278	+ 922	+125	− 204	− 843
2	+ 347	− 44	+ 7	+ 55	+148	+ 277	− 98	− 89	+ 603	—	− 126	− 477
3	+ 382	− 34	+ 5	+ 54	+ 28	+ 337	+ 88	−192	+ 668	—	− 576	− 92
4	+ 295	−150	+ 25	− 13	+211	+ 523	−188	+250	+ 953	—	− 630	− 323
1972 *1*	− 20	− 42	+ 65	− 190	+114	+ 211	−165	+ 84	+ 57	+124	− 191	+ 10
2	+ 238	− 39	+ 22	− 175	−132	− 138	−375	−446	−1,045	—	+ 46	+ 999
3	− 137	− 17	+ 24	− 68	+199	− 92	− 48	+ 60	− 79	—	+ 639	− 560
4	+ 54	−157	+ 9	− 155	+290	+ 215	− 25	−429	− 198	—	+ 198	—
1973 *1*	− 370	− 55	+ 44	+ 10	+ 1	+ 170	− 57	+284	+ 27	—	− 72	+ 45
2	− 27	− 31	+ 20	+ 54	+152	+ 166	+ 39	−274	+ 99	—	− 380	+ 281
3	− 256	− 27	+ 21	− 27	+ 36	− 415	−190	+240	− 618	—	+ 254	+ 364
4	− 346	−141	+ 90	− 127	+336	+ 233	−137	−187	− 279	—	− 30	+ 309
1974 *1*	− 925	− 52	+ 32	+ 574	− 61	+ 179	−144	+ 58	− 339	—	+ 33	+ 306
2	− 910	− 42	+107	+ 307	+ 56	+ 386	−105	−118	− 319	—	− 116	+ 435
3	− 839	− 15	+ 30	+ 367	−346	+ 616	−121	+308	—	—	− 189	+ 189
4	− 917	−167	+ 83	− 79	+ 57	+ 377	−342	—	− 988	—	+ 167	+ 821
1975 *1*	− 700	− 73	+ 66	− 16	− 80	+ 247	− 33	+263	− 326	—	− 142	+ 468
2	− 408	− 39	—	− 315	+772	− 17	−262	−303	− 572	—	+ 410	+ 162
3	− 635	− 26	− 52	+ 571	− 15	− 379	+180	+143	− 213	—	+ 170	+ 43
4	− 112	−150	+ 29	+ 176	−442	+ 82	+ 54	+ 9	− 354	—	+ 217	+ 137
1976 *1*	− 106	− 37	+ 9	+ 168	+ 94	− 75	−678	− 53	− 678	—	− 178	+ 856
2	− 388	− 26	+ 13	− 155	− 86	− 932	−531	+209	−1,956	—	+ 354	+1,602
3	− 368	− 10	+ 58	− 56	−272	− 137	−227	+150	− 862	—	+ 61	+ 801
4	− 275	− 85	+123	− 52	+158	− 8	− 92	+ 98	− 133	—	+ 616	− 483
1977 *1*	− 536	− 25	+498	+ 357	+421	+ 389	+ 82	+727	+1,913	—	−3,197	+1,284
2	− 296	− 20	+921	+ 20	−706	− 48	− 46	+1,083	+ 908	—	−1,158	+ 250
3	+ 598	− 17	+289	+ 332	+189	+ 397	—	+820	+2,608	—	−3,227	+ 619
4	+ 523	−229	+474	+ 28	+480	+ 714	− 90	+ 32	+1,932	—	−2,006	+ 74
1978 *1*	− 429	− 57	− 3	+ 323	+115	+ 101	−400	+523	+ 173	—	+ 46	− 219
2	+ 323	− 17	− 15	+ 126	−532	− 387	−314	−678	−1,494	—	+2,026	− 532

[1] More comprehensive analyses are given in the appendix tables to the balance of payments articles in the March, June, September and December issues.
[2] Excluding public sector borrowing under the exchange cover scheme which is included under official financing.
[3] Excluding trade credit between 'related' firms; after deducting advance and progress payments to suppliers.
[4] Capital transfers and EEA loss on forward commitments.
[5] Balance of current and capital transactions, including unidentified transactions covered by official financing other than that relating to IMF gold subscriptions and the allocation of SDRs.
[6] From 23 August 1971, valued in sterling at market-related rates of exchange. From July 1972, includes transactions affecting the United Kingdom reserve position in the IMF.
[7] Includes net transactions with overseas monetary authorities and other foreign currency borrowing by HM Government and by the public sector under the exchange cover scheme; in 1966 and 1967 includes the transfer from dollar portfolio to reserves.

£ million, unadjusted
2500
2000
1500
1000
500
0
−500
−1000
−1500
−2000
Balance for official financing
Current balance
1972
1973
1974
1975
1976
1977
1978

Money stock

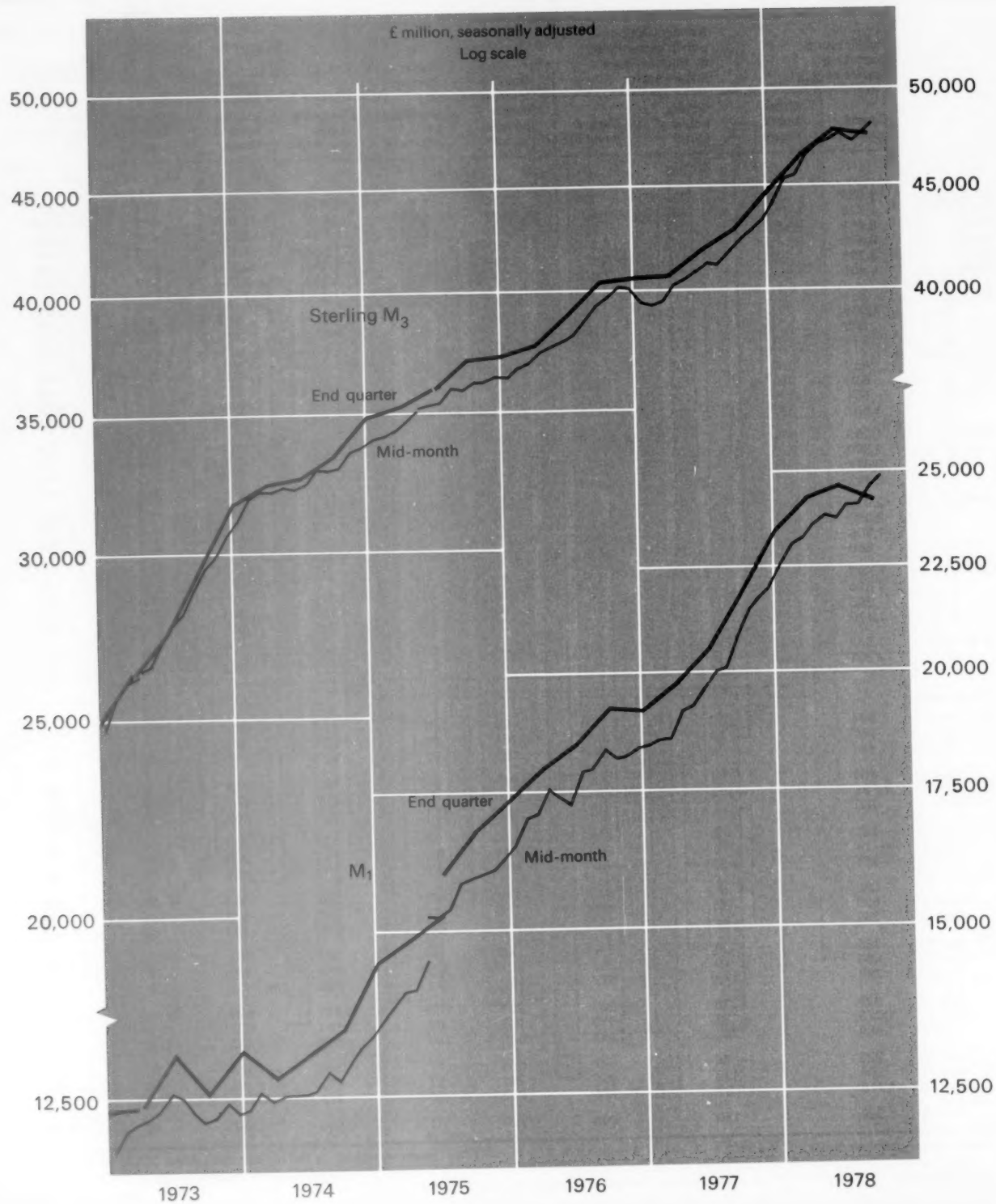
	£ million: amounts outstanding											
	M_1			Sterling M_3			M_3			Velocity of circulation[1]		
	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted §	Changes (seasonally adjusted)	*Percentage change*	M_1	Sterling M_3	M_3
At end period												
1972 *1*[2]	11,180 / 11,240	407	*+3·8*	20,620 / 21,030	1,005	*+5·1*	21,140 / 21,550	1,104	*+5·5*	5·563†	2·997	2·928
2	11,690	457	*+4·1*	22,490	1,472	*+7·0*	23,100	1,555	*+7·2*	5·468	2·891	2·817
3	11,830	133	*+1·1*	23,430	937	*+4·2*	24,080	976	*+4·2*	5·444	2·788	2·714
4	12,330	507	*+4·3*	24,930	1,500	*+6·4*	25,730	1,651	*+6·9*	5·564	2·780	2·699
1973 *1*[2]	12,340 / 12,340	— 10	*−0·1*	26,330 / 26,240	1,368	*+5·5*	27,330 / 27,340	1,565	*+6·1*	5·853	2·819	2·721
2	13,110	772	*+6·3*	27,590	1,349	*+5·1*	28,660	1,322	*+4·8*	5·669	2·678	2·577
3	12,540	−562	*−4·3*	29,510	1,936	*+7·0*	30,830	2,184	*+7·6*	5·814	2·612	2·537
4	13,140	610	*+4·9*	31,700	2,206	*+7·5*	33,130	2,318	*+7·5*	5·957	2·499	2·392
1974 *1*	12,760	−359	*−2·7*	32,430	790	*+2·5*	34,210	1,131	*+3·4*	5·835	2·357	2·245
2	13,100	342	*+2·7*	32,610	186	*+0·6*	34,790	593	*+1·7*	6·280	2·497	2·354
3	13,490	389	*+3·0*	33,470	825	*+2·5*	35,970	1,145	*+3·3*	6·571	2·644	2·469
4	14,580	1,065	*+7·9*	34,970	1,454	*+4·3*	37,370	1,352	*+3·8*	6·396	2·623	2·448
1975 *1*	14,890	293	*+2·0*	35,250	219	*+0·6*	37,770	340	*+0·9*	6·405	2·688	2·512
2[3]	15,260 / 15,990	364	*+2·4*	35,960 / 35,940	712	*+2·0*	38,310 / 38,300	544	*+1·4*	6·673	2·860	2·677
3	16,780	793	*+5·0*	37,110	1,192	*+3·3*	39,910	1,629	*+4·3*	6·564	2·911	2·719
4[4]	17,350	565	*+3·4*	37,270	207	*+0·6*	40,240	389	*+1·0*	6·576	3·017	2·800
1976 *1*	17,960	614	*+3·5*	37,700	462	*+1·2*	40,850	634	*+1·6*	6·645	3·130	2·894
2	18,400	439	*+2·4*	38,880	1,178	*+3·1*	42,450	1,593	*+3·9*	6·649	3·157	2·902
3	19,220	821	*+4·5*	40,450	1,533	*+4·1*	44,490	2,053	*+4·9*	6·708	3·180	2·902
4	19,140	— 78	*−0·4*	40,580	149	*+0·4*	44,550	71	*+0·2*	6·842	3·239	2·948
1977 *1*	19,750	610	*+3·2*	40,650	76	*+0·2*	44,920	384	*+0·9*	6·780	3·246	2·947
2	20,490	741	*+3·8*	41,950	1,308	*+3·2*	46,620	1,704	*+3·8*	6·854	3·339	3·013
3	21,860	1,373	*+6·7*	42,860	917	*+2·2*	47,280	665	*+1·4*	6·859	3·425	3·094
4[5]	23,320	1,466	*+6·7*	44,640	1,793	*+4·2*	48,910	1,653	*+3·5*	6·578	3·397	3·090
1978 *1*	24,300	999	*+4·3*	46,570	1,950	*+4·4*	51,100	2,199	*+4·5*	6·419	3·351	3·057
2	24,640	335	*+1·4*	48,000	1,425	*+3·1*	53,170	2,074	*+4·1*	6·470	3·348	3·037
At mid-month												
1977 *A*	19,200	640	*+3·4*	40,330	795	*+2·0*	44,530	1,159	*+2·7*	..	..	..
M	19,350	161	*+0·8*	40,660	353	*+0·9*	44,920	412	*+0·9*	..	..	..
J	19,640	295	*+1·5*	40,960	309	*+0·8*	45,190	280	*+0·6*	..	..	..
J	20,050	426	*+2·2*	41,320	358	*+0·9*	45,470	290	*+0·6*	..	..	..
A	20,100	59	*+0·3*	41,290	— 1	—	45,450	3	—	..	..	..
S	20,890	817	*+4·1*	41,990	730	*+1·8*	46,200	782	*+1·7*	..	..	..
O	21,470	594	*+2·8*	42,550	595	*+1·4*	46,530	358	*+0·8*	..	..	..
N	21,780	325	*+1·5*	42,840	296	*+0·7*	46,560	42	*+0·1*	..	..	..
D	22,010	233	*+1·1*	43,280†	442†	*+1·0*	47,080†	520†	*+1·1*	..	..	..
1978 *J*[6]	22,620	617	*+2·8*	44,310	1,036	*+2·4*	48,000	891	*+1·9*	..	..	..
F	23,100	475	*+2·1*	45,360	1,047	*+2·4†*	49,140	1,131	*+2·3*	..	..	..
M	23,240	142	*+0·6*	45,660	292	*+0·6*	49,750	606	*+1·2*	..	..	..
A	23,610	369	*+1·6*	46,810	1,152	*+2·5*	51,460	1,717	*+3·5*	..	..	..
M	23,820	213	*+0·9*	47,210	403	*+0·9*	52,220	762	*+1·5*	..	..	..
J	23,720	−94	*−0·4*	47,360	148	*+0·3*	52,400	177	*+0·3*	..	..	..
J	24,130†	409†	*+1·7*	47,870	514	*+1·1*	52,740	341	*+0·7*	..	..	..
A	24,150	15	*+0·1†*	47,400	− 481	*−1·0*	51,850	−897	*−1·7*	..	..	..
S	24,660	510	*+2·1*	47,980	570	*+1·2*	52,480	619	*+1·2*	..	..	..
O	24,920	251	*+1·0*	48,510	520	*+1·1*	53,130	636	*+1·2*	..	..	..
N												
D												

[1] Ratio of GNP at current market prices seasonally adjusted expressed at an annual rate to the centred quarterly average of M_1/sterling M_3/M_3 seasonally adjusted.

[2] The breaks in the series at end-March 1972 and end-March 1973 show, in each case, the effects of changes in contributors.

[3] At mid-May 1975 new statistical returns were introduced. The first line of figures for end-June 1975, includes a number of estimates to provide reasonable consistency with earlier dates. [4] The amounts outstanding at end-December 1975, are shown after the exclusion of one contributor to the series, but the effect on the figures is very small. The changes have been adjusted to exclude the effect of the reduction in the number of contributors.

[5] From end-December 1977 the coverage of UK holders of dollar certificates of deposit has been somewhat expanded: the effect of this has been excluded from the change in M_3.


£ million, seasonally adjusted
Log scale
50,000
45,000
40,000
35,000
30,000
25,000
20,000
12,500
Sterling M3
End quarter
Mid-month
M1
End quarter
Mid-month
50,000
45,000
40,000
25,000
22,500
20,000
17,500
15,000
12,500
1973
1974
1975
1976
1977
1978

Domestic credit expansion and money stock

Seasonally adjusted[1]

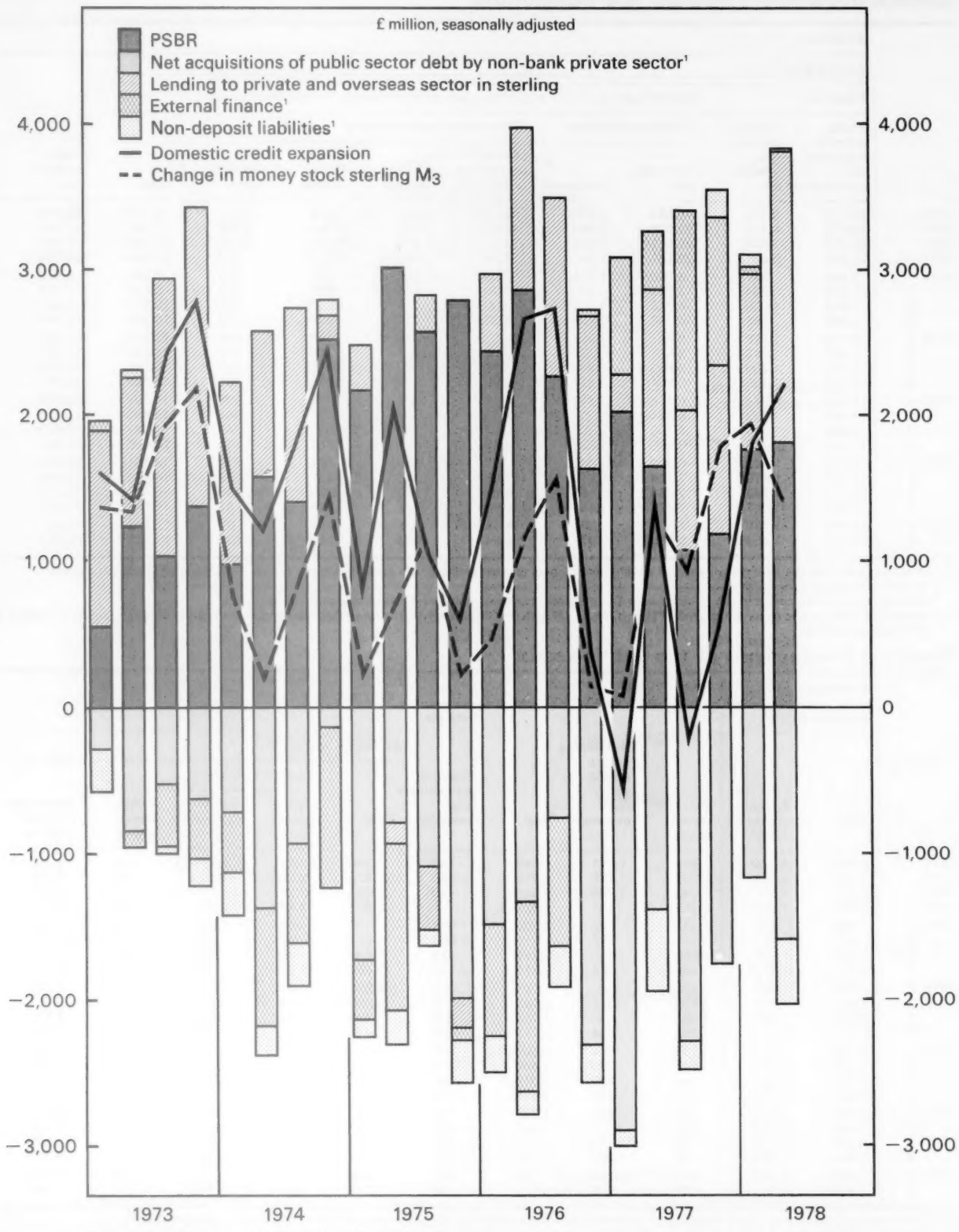
£ million

	Public sector borrowing requirement		Net acquisition of public sector debt by the non-bank private sector		Sterling lending to the private sector[2]	Bank lending in sterling to overseas	Domestic credit expansion	External and foreign currency finance	Non-deposit liabilities (net)	Money stock sterling M_3
	Central government	Other public sector	Other public sector	Central government						
	1	2	3	4	5	6	7	8	9	10
1972	1,596	438	230	776	5,510	136	6,674	1,095	652	4,927
1973	2,321	1,874	889	1,401	5,972	189	8,066	879	485	6,702
1974	3,491	2,883	2,312	852	3,435	289	6,934	2,997	682	3,255
1975	8,376	2,145	258	5,346	− 384	− 65	4,468	1,378	760	2,330
1976	6,786	2,403	411	5,453	3,463	650	7,438	2,906	967	3,565
1977	4,465	1,460	495	7,829	3,208	374	1,183	−3,587	673	4,097
1973 *1*	391	163	157	132	1,460	−124	1,601	− 63	296	1,368
2	1,008	224	315	529	933	90	1,411	108	− 46	1,349
3	205	830	186	348	739	168	2,408	429	43	1,936
4	717	657	231	392	1,997	55	2,803	405	192	2,206
1974 *1*	458	517	605	107	1,134	105	1,502	421	291	790
2	620	956	734	639	950	45	1,198	812	200	186
3	831	575	455	481	1,305	21	1,796	668	303	825
4	1,582	835	518	− 375	46	118	2,438	1,096	− 112	1,454
1975 *1*	1,259	894	68	1,657	448	−124	752	411	122	219
2	2,390	630	234	557	− 291	148	2,086	1,141	233	712
3	2,615	− 46	− 142	1,233	− 434	2	1,046	− 251	105	1,192
4	2,112	667	98	1,899	− 107	− 91	584	77	300	207
1976 *1*	2,019	425	53	1,436	176	345	1,476	762	252	462
2	2,099	757	211	1,105	852	266	2,658	1,308	172	1,178
3	1,808	455	103	653	1,030	201	2,738	875	277	1,586
4	860	766	44	2,259	1,215	−162	376	− 39	266	149
1977 *1*	1,509	507	522	2,379	352	− 92	− 625	− 809	108	76
2	1,524	126	213	1,167	1,021	183	1,474	− 398	564	1,308
3	253	815	− 48	2,342	802	162	− 262	−1,369	190	917
4	1,179	12	− 192	1,941	1,030	121	593	−1,011	− 189	1,793
1978 *1*	1,542	222	− 76	1,239	614	593	1,808	− 51	− 91	1,950
2	2,391	−590	− 355	1,943	1,730	278	2,221	354	442	1,425
Month ended										
1977 Jan.	524		214	1,729	183	−146	− 954	− 337	− 142	− 475
Feb.	396		− 72	651	−244	− 86	− 657	385	− 101	− 171
March	481		2	392	180	52	323	15	180	128
April	800		84	200	30	—	714	− 218	137	795
May	1,162		−218	861	331	− 8	406	− 107	160	353
June	560		− 1	317	443	111	796	164	323	309
July 20	−491		466	678	195	55	− 453	− 877	66	358
Aug. 17	− 11		217	900	425	107	− 162	− 289	128	− 1
Sept. 21	−305		528	683	395	− 28	− 93	− 851	28	730
Oct. 19	556		− 69	873	439	129	182	− 383	− 30	595
Nov. 16	539		36	488	226	42	355	− 173	232	296
Dec. 14	252		47	538	308	121	190	− 144	−108	442
1978 Jan. 18	785		−123	692	192	91	253	− 381	−402	1,036
Feb. 15	599		− 29	203	287	306	960	− 152	65	1,047
March 15	267		129	572	560	214	598	− 3	309	292
April 19	998		318	267	259	123	1,431	439	−160	1,152
May 17	1,073		−223	512	739	36	1,113	603	107	403
June 21	489		343	1193	540	135	314	57	109	148
July 19	223		− 84	572	554	− 17	104	− 385	− 25	514
Aug. 16	266		−432	405	262	17	− 292	43	146	− 481
Sept. 20	1,219		37	725	202	− 20	713	− 149	292	570
Oct. 18	526		−120	209	327	11	535	33	− 18	520

Relationship between columns 7 = 1 + 2 − 3 − 4 + 5 + 6; 10 = 7 − 8 − 9 (The figures combined in the bracket are column 2 *less* column 3).

[1] The seasonally adjusted figures do not always add to the calendar year total which is the sum of unadjusted quarterly figures.

[2] Banking sector lending *plus* Bank of England Issue Department holdings of commercial bills.



[1]Increases are shown as (—), decreases are shown as (+)

General government receipts and expenditure[1]

£ million

	General government									
	Receipts[2]		Expenditure							
	Taxes, national insurance, etc. contributions	Trading income, rent, interest, etc.	Goods and services		Current and capital transfers			Net lending, etc.[3]	Total	Public expenditure[4]
			Consumption	Investment	Current grants and subsidies	Capital transfers	Debt interest			
1974	29,878	3,705	16,564	4,452	11,191	1,092	3,608	2,201	39,108	36,052
1975	38,371	4,473	22,930	5,064	14,402	1,194	4,210	3,695	51,495	47,541
1976	44,557	5,339	26,611	5,492	17,027	1,419	5,456	2,378	58,383	53,886
1977	51,095	6,061	29,121	4,941	19,560	1,552	6,537	253	61,964	56,763
1974 *1*	7,582	941	3,750	1,335	2,583	282	993	318	9,261	8,559
2	6,836	794	3,792	820	2,464	255	660	433	8,424	7,719
3	7,564	1,005	4,280	1,161	2,909	273	1,046	908	10,577	9,652
4	7,896	965	4,742	1,136	3,235	282	909	542	10,846	10,122
1975 *1*	9,710	1,115	5,461	1,357	3,333	376	1,138	1,190	12,855	11,827
2	8,801	1,043	5,435	1,130	3,581	201	798	779	11,924	11,046
3	9,716	1,206	5,853	1,208	3,626	297	1,242	865	13,091	12,001
4	10,144	1,109	6,181	1,369	3,862	320	1,032	861	13,625	12,667
1976 *1*	11,346	1,378	6,406	1,693	4,115	385	1,537	934	15,070	13,784
2	10,624	1,233	6,594	1,210	4,250	307	1,013	506	13,880	12,918
3	10,856	1,423	6,709	1,301	4,224	322	1,639	748	14,943	13,693
4	11,731	1,305	6,902	1,288	4,438	405	1,267	190	14,490	13,491
1977 *1*	13,273	1,561	6,992	1,571	4,732	506	1 863	437	16 101	14,702
2	12,180	1,410	7,224	1,015	4,853	355	1,337	−179	14,605	13,540
3	12,716	1,743	7,384	1,169	4,876	330	1,799	88	15,646	14,015
4	12,926	1,347	7,521	1,186	5,099	361	1,538	−93	15,612	14,506
1978 *1*	14,739	1,731	7,979	1,394	5,639	706	2,059	65	17,842	16,180
2	13,210	1,553	8,058	972	5,647	408	1,514	436	17,035	15,715

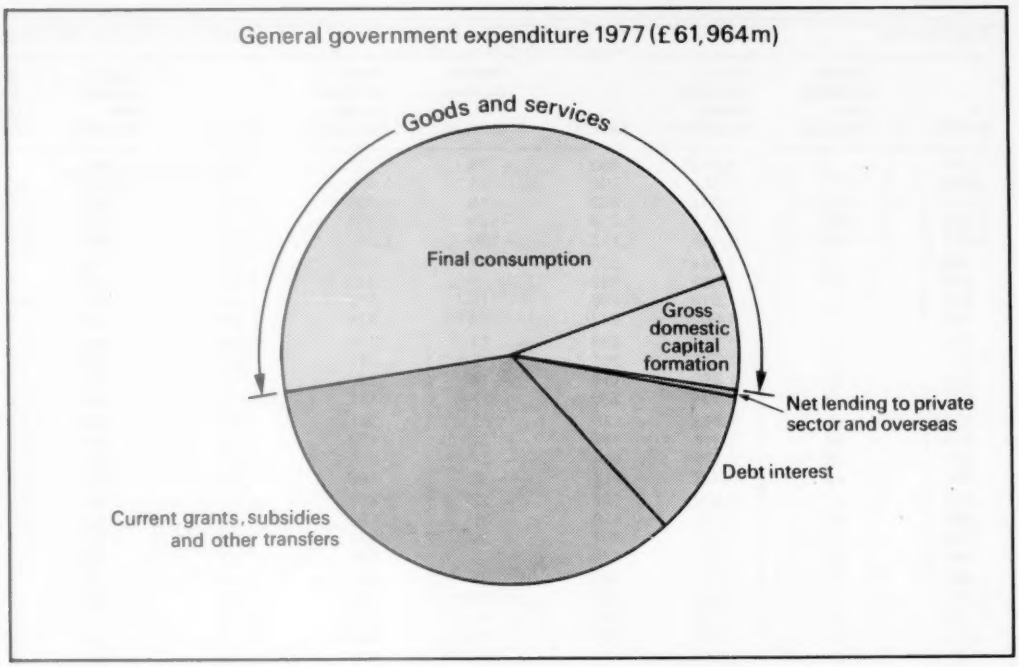
[1] An article describing the new presentation of government income and expenditure was published in the March 1977 issue of *Economic Trends*.
[2] Excluding financial transactions.
[3] Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc. (net).
[4] As defined in the public expenditure White Paper (Cmnd. 7049). A reconciliation with the total of general government expenditure is shown in Table 2·4 of *Financial Statistics*.

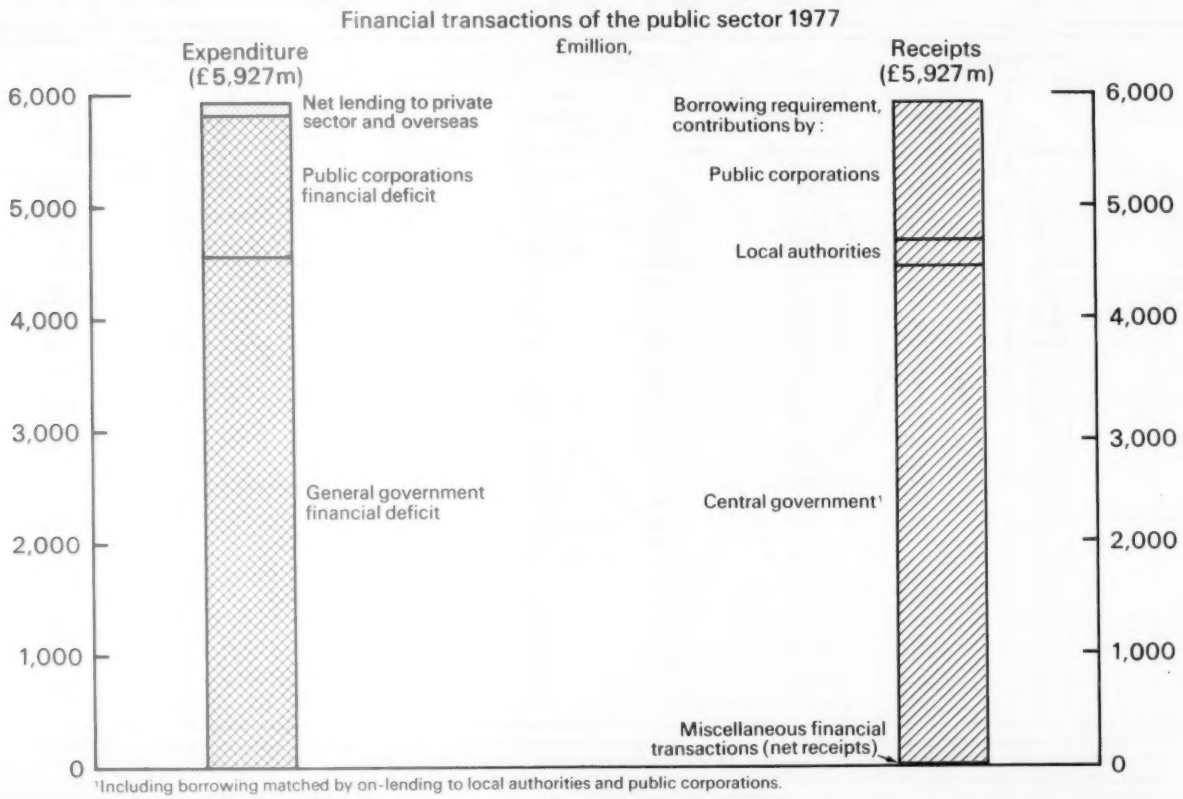
Financial transactions of the public sector

£ million

	Financial deficit[1]					Receipts					
							Borrowing reuirement				
				Net lending etc., to private sector and overseas[3]		Financial transactions (net receipts)		Contributions by:			
	Total	General government[2]	Public corporations		Total		Total	Central government[4]	Local authorities	Public corporations	Seasonally adjusted total[5§]
1974	4.907	3,324	1,583	1,641	6,548	180	6,368	3,491	2,124	753	6,368
1975	7,893	4,956	2,937	1,746	9,639	−886	10,525	8,376	1,653	496	10,525
1976	8,357	6,109	2,248	1,269	9,626	439	9,187	6,786	1,130	1,271	9,187
1977	5,807	4,555	1,252	121	5,928	1	5,927	4,465	230	1,232	5.927
1974 *1*	759	420	339	246	1,005	1,066	−61	−609	452	96	942
2	632	361	271	379	1,011	−866	1,877	985	780	112	1,684
3	1,669	1,100	569	650	2,319	724	1,595	858	452	285	1,441
4	1,847	1,443	404	366	2,213	−744	2,957	2,257	440	260	2,301
1975 *1*	1,774	840	934	400	2,174	652	1,522	987	527	8	2,206
2	1,881	1,301	580	311	2,192	−905	3,097	2,356	612	129	2,757
3	2,325	1,304	1,021	431	2,756	265	2,491	2,288	210	−7	2,571
4	1,913	1,511	402	604	2,517	−898	3,415	2,745	304	366	2,991
1976 *1*	2,156	1,412	744	350	2,506	873	1,633	1,414	196	23	2,242
2	2,060	1,517	543	430	2,490	−472	2,962	2,204	281	477	2,641
3	2,728	1,916	812	287	3,015	720	2,295	1,655	287	353	2,349
4	1,413	1,264	149	202	1,615	−682	2,297	1,513	366	418	1,955
1977 *1*	1,065	830	235	312	1,377	355	1,022	572	472	−22	2,017
2	1,430	1,194	236	2	1,432	−525	1,957	1,738	−230	449	1,528
3	1,858	1,099	759	14	1,872	835	1,037	274	281	482	820
4	1,454	1,432	22	−207	1,247	−664	1,911	1,881	−293	323	1,562
1978 *1*	1,409	1,307	102	−124	1,285	661	624	538	714	−628	1,563
2	1,879	1,836	43	246	2,125	−43	2,168	2,614	−135	−311	1,843

[1] The excess of current and capital expenditure over receipts; corresponds to a negative figure of 'net acquisition of financial assets'.
[2] Top table, columns 3 to 7, *less* 1 and 2. [3] Including cash expenditure on company securities (net).
[4] Including borrowing matched by on-lending to local authorities and public corporations. [5] Calendar year constrained.


General government expenditure 1977 (£61,964m)
Goods and services
Final consumption
Gross domestic capital formation
Net lending to private sector and overseas
Debt interest
Current grants, subsidies and other transfers



[1]Including borrowing matched by on-lending to local authorities and public corporations.

Sector financial accounts

Seasonally adjusted

£ million

	Public sector[1]			Financial companies and institutions			Industrial and commercial companies		
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]
1973	3,217	— 5	5,918	882	— 76	1,303	7,008	347	8,693
1974	2,760	—17	7,650	784	—66	1,458	7,315	332	12,154
1975	2,154	—85	9,962	663	—16	1,698	8,016	405	9,106
1976	2,781	—166	10,972	1,336	—129	2,036	11,476	358	13,131
1977	4,310	—189	9,928	1,242	—150	2,377	11,906	258	14,565
1973 *1*	759	— 14	1,444	260	— 17	270	1,560	79	1,922
2	773	— 24	1,399	182	— 9	323	1,690	85	1,944
3	941	—	1,513	198	— 18	336	1,866	101	2,295
4	744	33	1,562	242	— 32	374	1,892	82	2,532
1974 *1*	379	14	1,719	236	— 14	374	1,906	82	2,897
2	1,125	— 22	1,738	201	— 17	361	1,899	90	3,344
3	879	— 20	1,989	111	— 18	342	1,731	77	3,159
4	377	11	2,204	236	— 17	381	1,779	83	2,754
1975 *1*	225	— 65	2,393	120	62	361	1,873	94	2,175
2	694	34	2,376	136	— 28	412	1,892	84	2,172
3	549	— 25	2,471	190	— 27	479	1,951	116	2,424
4	686	— 29	2,722	217	— 23	446	2,300	111	2,335
1976 *1*	479	— 12	2,803	255	— 26	457	2,250	91	2,684
2	888	— 35	2,749	198	— 35	496	2,876	97	3,025
3	428	— 34	2,737	407	— 34	543	2,993	82	3,498
4	986	— 85	2,683	476	— 34	540	3,357	88	3,924
1977 *1*	1,098	— 70	2,635	383	— 33	513	3,061	75	4,007
2	1,279	— 74	2,319	309	— 39	506	3,052	87	3,971
3	1,314	— 35	2,522	353	— 40	702	3,088	47	3,225
4	619	— 10	2,452	197	— 38	656	2,705	49	3,362
1978 *1*	692	—264	2,301	165	51	836	2,970	158	3,673
2	730	—155	2,188	302	— 38	803	2,901	107	4,415

	Personal sector			Net acquisition of financial assets[4]					
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Public sector	Financial companies and institutions	Industrial and commercial companies	Personal sector	Overseas sector[5]	Residual error[6]
1973	6,116	—325	2,953	—2,706	— 497	—1,338	2,838	1,058	645
1974	8,751	—324	3,144	—4,907	— 740	—4,507	5,283	3,666	1,205
1975	11,169	—304	3,646	—7,893	—1,051	— 685	7,219	1,855	555
1976	12,617	— 63	4,520	—8,357	— 829	—1,297	8,034	1,137	1,312
1977	13,782	81	5,164	—5,807	—1,285	—2,401	8,699	—289	1,083
1973 *1*	1,057	— 86	706	— 699	— 27	— 283	265	216	528
2	1,721	— 71	692	— 650	— 150	— 169	958	116	— 105
3	1,594	— 84	778	— 572	— 156	— 328	732	292	32
4	1,744	— 84	777	— 785	— 164	— 558	883	434	190
1974 *1*	1,912	— 82	825	—1,326	— 152	— 909	1,005	799	583
2	1,821	— 80	823	— 635	— 177	—1,355	918	947	302
3	2,323	— 79	740	—1,130	— 249	—1,351	1,504	904	322
4	2,695	— 83	756	—1,816	— 162	— 892	1,856	1,016	— 2
1975 *1*	2,811	— 91	832	—2,233	— 179	— 208	1,888	594	138
2	2,541	— 90	890	—1,648	— 304	— 196	1,561	361	226
3	2,925	— 64	935	—1,947	— 316	— 357	1,926	676	18
4	2,892	— 59	989	—2,065	— 252	76	1,844	224	173
1976 *1*	3,214	— 53	1,034	—2,336	— 228	— 343	2,127	79	701
2	3,005	— 27	1,058	—1,896	— 333	— 52	1,920	313	48
3	3,508	— 14	1,177	—2,343	— 170	— 423	2,317	416	203
4	2,890	31	1,251	—1,782	— 98	— 479	1,670	329	360
1977 *1*	3,257	28	1,291	—1,607	— 163	— 871	1,994	495	152
2	3,243	26	1,290	—1,114	— 236	— 832	1,979	297	— 94
3	3,101	28	1,234	—1,243	— 389	— 90	1,895	— 574	401
4	4,181	— 1	1,349	—1,843	— 497	— 608	2,831	— 507	624
1978 *1*	3,298	55	1,391	—1,873	— 620	— 545	1,962	317	759
2	4,200	86	1,513	—1,613	— 539	—1,407	2,773	— 198	984

[1] Excluding financial transactions in writing-off debt. [2] Before providing for depreciation stock appreciation and addition to reserves.
[3] Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress. [4] This balance is equal to saving *plus* capital transfers *less* gross domestic fixed capital formation *less* increase in value of stocks and work in progress. [5] Equals, apart from the change in sign, the current balance of payments accounts, *plus* capital transfers. [6] The residual error in the national income accounts

£ million, seasonally adjusted
3,000
2,500
2,000
1,500
1,000
500
0
−500
−1,000
−1,500
−2,000
−2,500
−3,000
Financial surplus
Financial deficit
Personal sector
Overseas sector
Industrial and commercial companies sector
Public sector
1972
1973
1974
1975
1976
1977
1978

Appropriation account of industrial and commercial companies

£ million Seasonally adjusted

	Income							Allocation of income						
	Income arising in the United Kingdom							Dividends and interest, etc.						
	Gross trading profits			Rent and non-trading income		Income from abroad (net of taxes paid abroad)		Payments of dividends on ordinary shares[3]	Other	*of which* to financial companies[2]	Profits due abroad (net of UK tax)	UK taxes on income (payments)[4]	Balance undistributed income[5]	Taxes paid abroad on income from abroad[2]
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	Total	*of which* from financial companies[2]								
1968	6,854	5,172	470	5,642	457	139	755	1,434	1,067	656	311	919	3,123	705
1969	7,604	5,564	591	6,155	504	165	945	1,554	1,219	756	259	1,013	3,559	819
1970	7,984	5,608	838	6,446	514	151	1,024	1,378	1,301	799	322	1,297	3,686	1,041
1971	8,727	6,297	888	7,185	518	135	1,024	1,530	1,320	792	397	1,104	4,376	1,334
1972	9,906	7,128	1,036	8,164	628	196	1,114	1,524	1,510	969	549	1,082	5,241	1,592
1973	12,832	7,423	2,327	9,750	1,029	501	2,053	1,638	2,365	1,806	665	1,156	7,008	2,360
1974	14,671	6,268	4,790	11,058	1,325	695	2,288	1,469	3,340	2,716	525	2,022	7,315	4,012
1975	14,642	7,301	4,239	11,540	1,310	619	1,792	1,608	3,309	2,674	447	1,262	8,016	3,453
1976	18,731	9,462	5,091	14,553	1,641	802	2,537	1,825	3,798	3,149	744	888	11,476	4,117
1977	21,160	12,902	4,046	16,948	1,537	637	2,675	2,233	3,692	3,053	1,496	1,833	11,906	3,850
1972 *1*	2,199	1,659	149	1,808	135	30	256	437	323	196	127	290	1,022	360
2	2,433	1,778	234	2,012	137	34	284	461	347	221	135	253	1,237	357
3	2,578	1,815	305	2,120	169	60	289	352	406	270	141	269	1,410	415
4	2,696	1,876	348	2,224	187	72	285	274	434	282	146	270	1,572	460
1973 *1*	2,944	2,011	336	2,347	219	96	378	526	505	386	188	165	1,560	483
2	3,140	1,886	475	2,361	218	90	561	511	522	392	171	246	1,690	486
3	3,284	1,836	707	2,543	272	134	469	319	609	454	151	339	1,866	611
4	3,464	1,690	809	2,499	320	181	645	282	729	574	155	406	1,892	780
1974 *1*	3,677	1,141	1,554	2,695	340	192	642	432	792	647	170	377	1,906	938
2	3,652	1,525	1,206	2,731	326	170	595	355	811	657	126	461	1,899	1,068
3	3,692	1,869	958	2,827	334	172	531	357	855	691	103	646	1,731	1,024
4	3,650	1,733	1,072	2,805	325	161	520	325	882	721	126	538	1,779	982
1975 *1*	3,614	1,576	1,267	2,843	314	150	457	431	868	711	125	317	1,873	896
2	3,514	1,807	1,004	2,811	298	130	405	377	800	641	122	323	1,892	863
3	3,535	1,797	961	2,758	332	157	445	389	801	637	95	299	1,951	979
4	3,979	2,121	1,007	3,128	366	182	485	411	840	685	105	323	2,300	715
1976 *1*	3,935	1,908	1,110	3,018	348	157	569	480	840	673	200	165	2,250	944
2	4,543	2,395	1,151	3,546	388	178	609	424	867	707	136	240	2,876	980
3	4,801	2,435	1,274	3,709	415	200	677	442	953	784	194	219	2,993	1,126
4	5,452	2,724	1,556	4,280	490	267	682	479	1,138	985	214	264	3,357	1,067
1977 *1*	5,486	2,776	1,554	4,330	448	226	708	570	1,082	912	336	437	3,061	991
2	5,268	3,171	1,020	4,191	375	152	702	506	913	757	396	401	3,052	1,005
3	5,407	3,518	867	4,385	366	140	656	553	893	730	391	482	3,088	960
4	4,999	3,437	605	4,042	348	119	609	604	804	654	373	513	2,705	894
1978 *1*	5,374	3,722	660	4,382	376	135	616	706	808	641	371	519	2,970	899
2	5,379	3,217	1,041	4,258	460	199	661	630	959	814	343	546	2,901	913
Percentage change, quarter on corresponding quarter of previous year														
1977 *1*	+39·4	+45·5	+40·0	+43·4	+28·7	+43·9	+24·4	+18·8	+28·8	+35·5	+ 69·0	+154·8	+36·0	+ 5·0
2	+16·0	+32·4	−11·4	+18·3	− 3·4	−14·6	+15·3	+19·3	+ 5·3	+ 7·1	+191·2	+ 67·0	+ 6·1	+ 2·6
3	+12·6	+44·5	−31·9	+18·2	−11·8	−30·0	− 3·1	+25·1	− 6·3	− 6·9	+101·5	+120·1	+ 3·2	−14·7
4	− 8·3	+26·2	−61·1	− 5·6	−29·0	−55·4	−10·7	+26·1	−29·3	−33·6	+ 74·3	+ 94·3	−19·4	−16·2
1978 *1*	− 2·0	+34·1	−57·5	+ 1·2	−16·1	−40·3	−13·0	+23·9	−25·3	−29·7	+ 10·4	+ 18·8	− 3·0	− 9·3
2	+ 2·1	+ 1·5	+ 2·1	+ 1·6	+22·7	+30·9	− 5·8	+24·5	+ 5·0	+ 7·5	− 13·4	+ 36·2	− 4·9	− 9·2

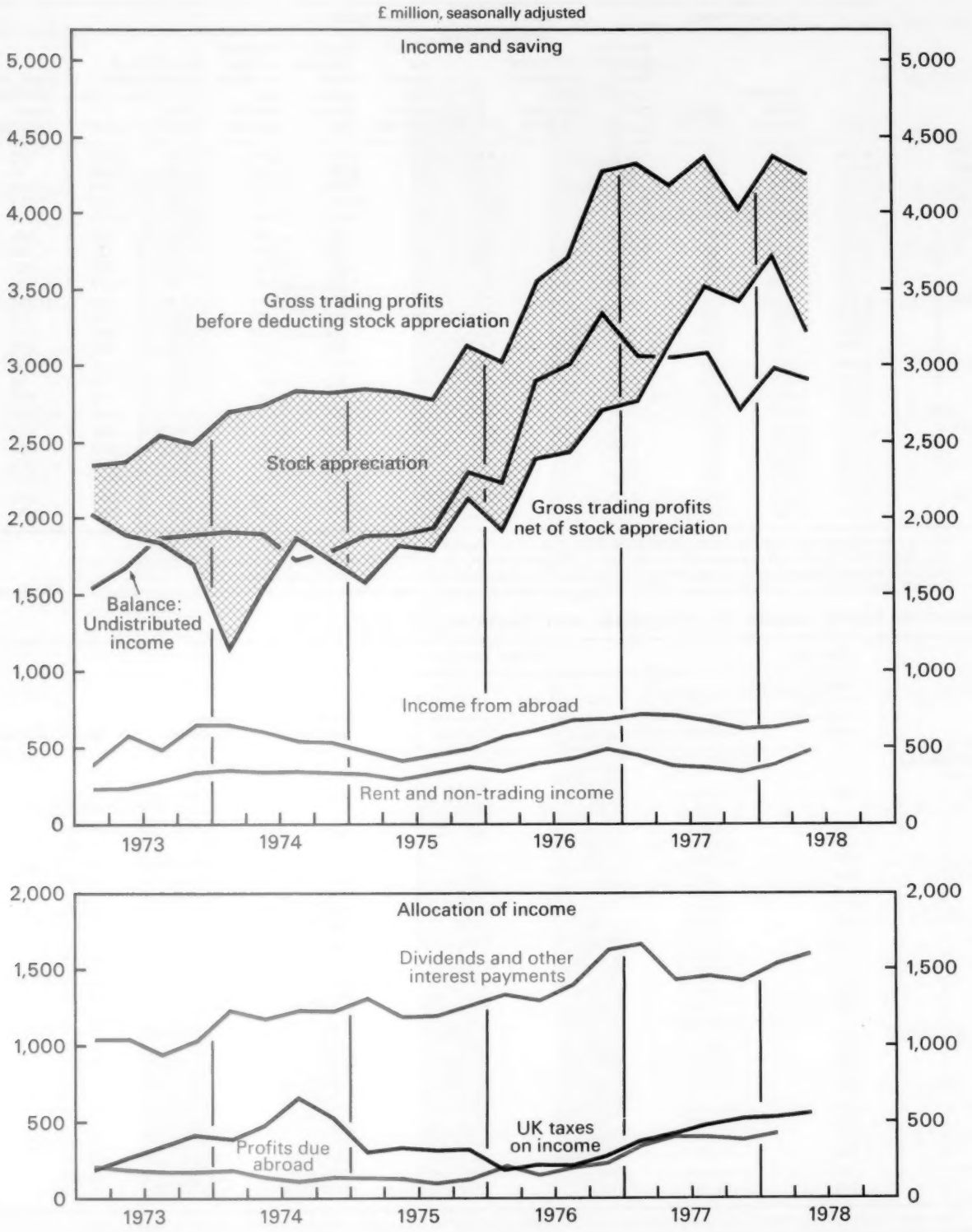
[1] Before providing for depreciation and stock appreciation.

[2] These items are included solely as memoranda.

[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.

[4] The residual of all companies payments and accruals of financial companies and institutions taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973). Up to 5 April 1973 the balance of deductions of income tax from dividends over payments to the Inland Revenue is also deducted. In the second quarter of 1978 the amount of advance corporation tax included was £226 million. The seasonally adjusted series for all companies have been allocated between industrial and commercial companies and financial companies and institutions in proportion to the calendar year estimates of their accruals of taxes on income.

[5] Before providing for depreciation, stock appreciation and additions to reserves.


£ million, seasonally adjusted
Income and saving
5,000
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Gross trading profits
before deducting stock appreciation
Stock appreciation
Gross trading profits
net of stock appreciation
Balance:
Undistributed
income
Income from abroad
Rent and non-trading income
1973
1974
1975
1976
1977
1978
Allocation of income
2,000
1,500
1,000
500
0
Dividends and other
interest payments
Profits due
abroad
UK taxes
on income
1973
1974
1975
1976
1977
1978

Sources and uses of capital funds of industrial and commercial companies

£ million

	Sources of funds						Uses of funds					
	Total	Undistributed income[1]	Capital transfers	Bank borrowing[2], loans and mortgages	UK capital issues by listed companies (net)	Overseas[3]	Taxes on capital and capital transfers	Gross domestic fixed capital formation	Increase in value of stocks and work in progress	Acquisition of financial assets: Liquid assets[4]	Acquisition of financial assets: Other[5]	Unidentified items (residual)
1973	14,784	7,008	373	5,379	194	1,830	26	4,879	3,814	2,572	3,201	292
1974	14,777	7,315	363	4,656	70	2,373	31	6,054	6,100	40	2,488	64
1975	12,359	8,016	443	819	1,266	1,815	38	7,078	2,028	1,747	1,816	−348
1976	18,138	11,476	401	3,315	880	2,066	43	8,094	5,037	1,685	4,396	−1,117
1977	18,932	11,906	311	3,150	667	2,898	53	9,523	5,042	2,754	3,678	−2,118
1974 *1*	4,024	1,529	105	1,486	4	900	17	1,291	1,580	− 250	537	849
2	3,880	2,035	83	1,273	− 7	496	3	1,423	1,918	234	236	66
3	3,334	1,685	86	948	20	595	5	1,559	1,565	25	337	− 157
4	3,539	2,066	89	949	53	382	6	1,781	1,037	31	1,378	− 694
1975 *1*	2,973	1,699	119	830	49	276	22	1,583	562	178	234	394
2	2,826	2,045	82	70	379	250	5	1,643	482	− 280	1,194	− 218
3	2,565	1,823	123	− 538	413	744	5	1,964	433	1,389	− 499	− 727
4	3,995	2,449	119	457	425	545	6	1,888	551	460	887	203
1976 *1*	3,545	2,475	116	3	248	703	22	1,651	922	100	1,104	− 254
2	4,948	2,935	98	1,073	439	403	6	1,950	961	683	1,374	− 26
3	3,994	2,578	90	706	152	468	8	2,207	1,321	719	495	− 756
4	5,651	3,488	97	1,533	41	492	7	2,286	1,833	183	1,423	− 81
1977 *1*	5,032	3,188	104	790	37	913	29	1,933	1,982	30	488	570
2	5,135	3,180	91	778	347	739	8	2,432	1,376	461	1,363	− 505
3	4,102	2,697	53	462	185	705	7	2,463	706	948	910	− 932
4	4,663	2,841	63	1,120	98	541	9	2,695	978	1,315	917	−1,251
1978 *1*	4,878	2,886	193	771	− 8	1,036	24	2,554	1,124	400	246	530
2	4,959	3,050	106	1,048	339	416	10	2,789	1,485	1,096	278	− 699

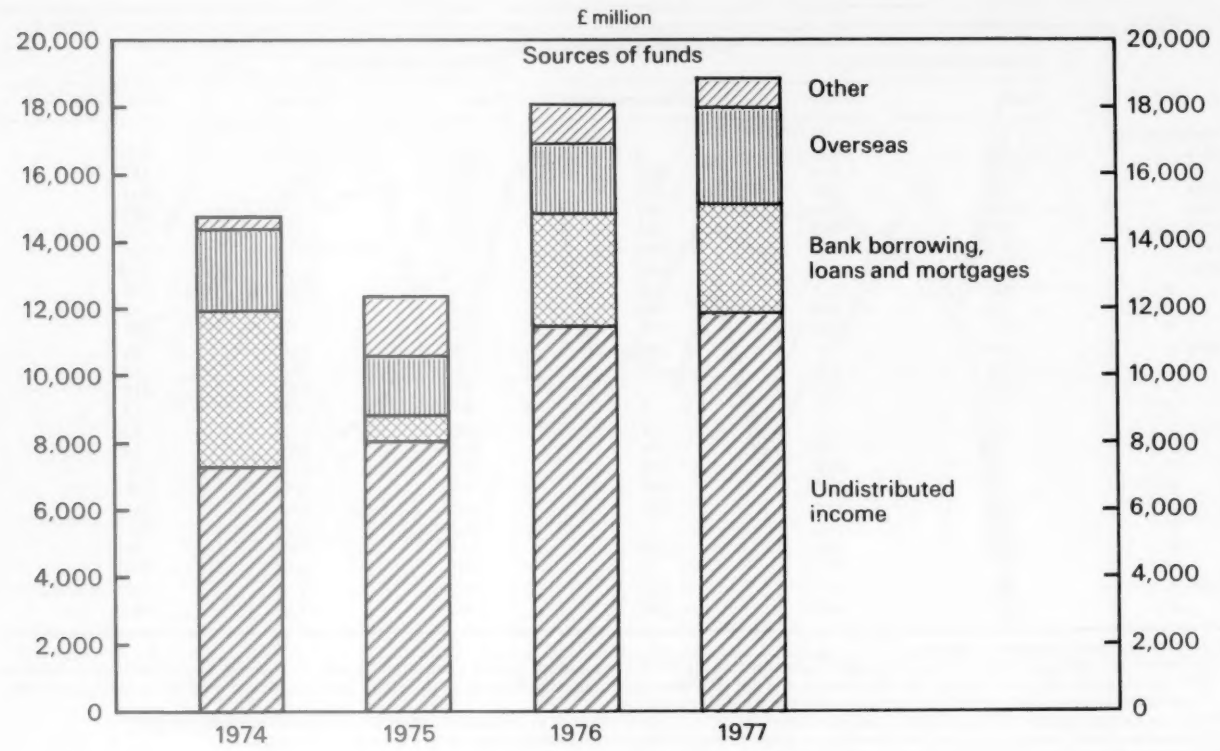
[1] Before providing for depreciation, stock appreciation and additions to reserves.
[2] After addition of 40 per cent of the excess of debit over credit transit items. [3] Other than investments included in UK capital issues.
[4] Bank deposits are included after subtraction of 60 per cent of the excess of debit over credit transfer items.
[5] Including figures of large companies transactions in British government securities (for further information see *Financial Statistics Explanatory handbook).*

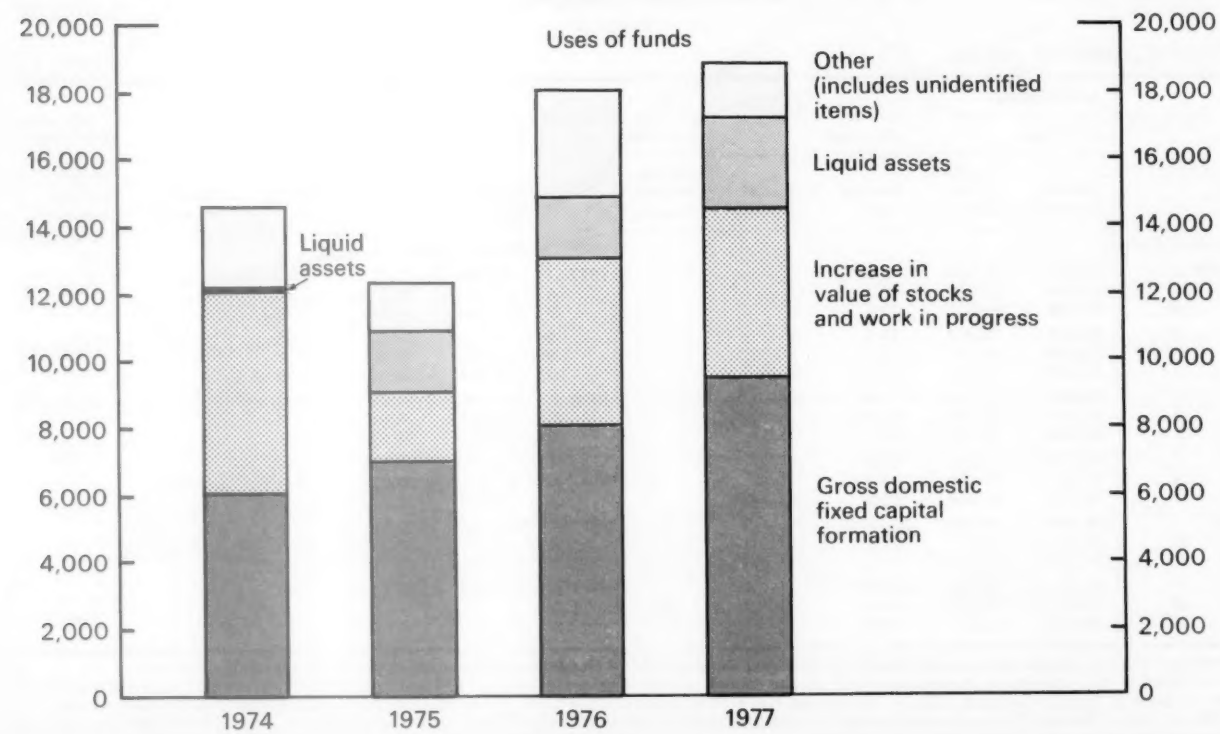
Selected liquid assets of industrial and commercial companies

£ million

Amounts outstanding at end:	Local authority temporary debt	Deposits with banking sector[1], [2], [3]	Deposits with building societies	Deposits with finance houses[1]	Other identified[1], [4]	Total identified[1]	Bank advances[1], [5]
1973 *1*	395	6,284 / 6,279	183	182 / 180	88	7,132 / 7,125	11,139 / 11,237
2	472	6,405	200	205	87	7,369	11,859
3	488	7,667	175	242	85	8,657	13,066
4	483	8,357	160	217	85	9,302	14,893
1974 *1*	519	7,946	161	176	54	8,856	16,048
2	509	8,071	166	193	52	8,991	17,279
3	518	8,092	172	157	168	9,107	18,048
4	484	8,094	180	122	97	8,977	18,607
1975 *1*	424	8,149	181	163	58	8,975	19,063
2	415	8,050 / 8,321	183	173	116 / 113	8,937 / 9,205	19,817 / 18,257
3	434	9,481	184	159	386	10,644	18,180
4	459	9,749 / 9,739	185	136	355	10,884 / 10,874	18,357 / 18,405
1976 *1*	443	9,697	222	183	566	11,111	18,420
2	425	10,250	251	193	689	11,808	19,824
3	414	10,961	273	203	419	12,270	20,655
4	579	11,157	289	210	229	12,464	21,736
1977 *1*	477	11,205	304	201	290	12,477	22,037
2	388	11,453	336	224	396	12,797	22,696
3	317	11,926	363	220	737	13,563	22,970
4	229	12,957	401	214	646	14,447	23,347
1978 *1*	280	13,449	426	211	496	14,862	23,685
2	291	14,107	446	256	610	15,710	25,012

[1] The breaks in series result from further information regarding holdings by sector and changes to the banking and finance houses sectors.
[2] From 2nd quarter 1973 includes identified holdings of dollar certificates of deposit. [3] After deducting 60% item in transit.
[4] Treasury bills, tax reserve certificates, tax deposit accounts, and certificates of tax deposits.
[5] Including refinanceable export and shipbuilding credits with effect from mid-May 1972 and after addiing 40% items in transit.


£ million
Sources of funds
Other
Overseas
Bank borrowing, loans and mortgages
Undistributed income
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
1974
1975
1976
1977


Uses of funds
Other (includes unidentified items)
Liquid assets
Increase in value of stocks and work in progress
Gross domestic fixed capital formation
Liquid assets
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
1974
1975
1976
1977

Bank lending[1] to UK residents

Seasonally adjusted[2]

£ million

	Lending to public sector			Lending to private sector		
	Total	Sterling	Other currencies[3]	Total	Sterling	Other currencies[3]
Transactions						
1972	−1,026	−1,030	4	6,434	5,511	923
1973	1,995	1,134	861	6,828	5,671	1,157
1974	701	− 370	1,071	4,671	3,734	937
1975	3,364	3,081	283	139	− 386	525
1976	271	− 163	434	3,515	3,137	378
1977	2,475	1,793	682	4,715	3,512	1,203
1974 *1*	86	− 177	263	1,339	1,016	323
2	− 441	− 657	216	1,514	1,289	225
3	− 165	− 265	100	1,507	1,359	148
4	1,221	729	492	311	70	241
1975 *1*	204	− 94	298	139	180	− 41
2[5]	1,390	1,402	− 12	207	− 32	239
3	1,640	1,640	—	− 124	− 438	314
4[4]	130	133	− 3	− 83	− 96	13
1976 *1*	200	183	17	150	173	− 23
2	− 64	− 118	54	808	846	− 38
3	777	619	158	1,233	1,022	211
4	− 452	− 657	205	1,134	906	228
1977 *1*	388	− 115	503	1,146	586	560
2	250	250	—	1,262	1,105	157
3	1,093	844	249	843	779	64
4	747	817	− 70	1,461	1,039	422
1978 *1*	263	492	− 229	659	514	145
2	−1,806	−1,566	− 240	2,193	1,733	460

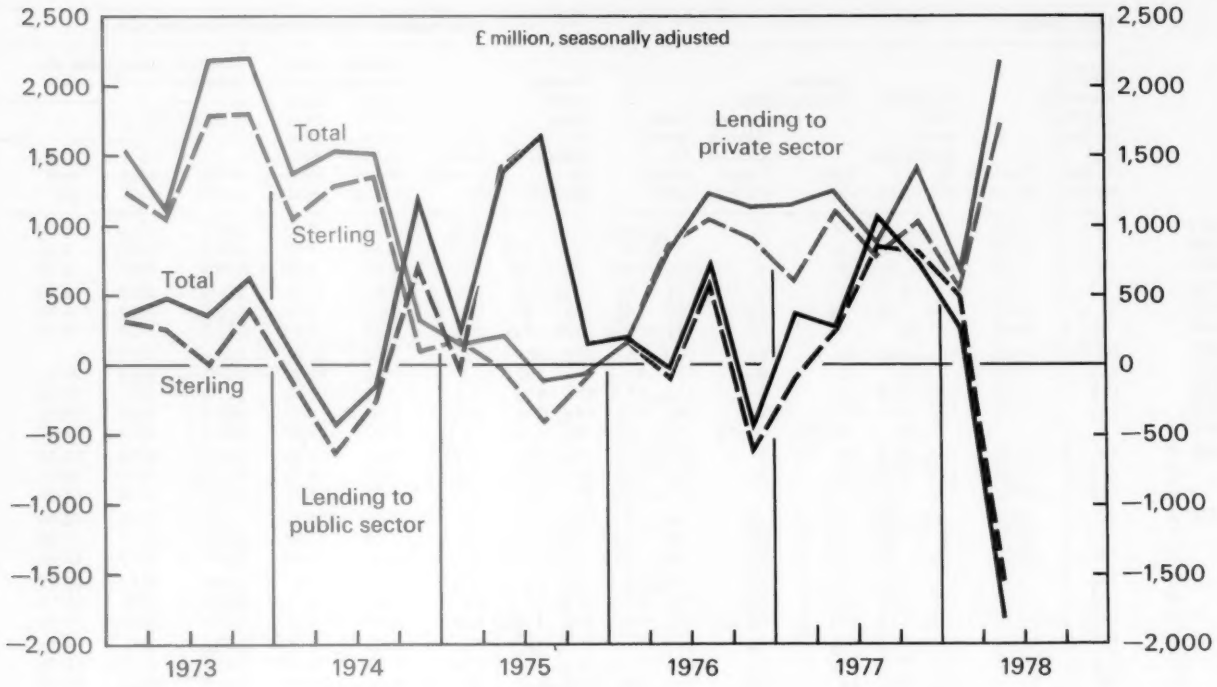
[1] UK banking sector: changes in assets.
[2] The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.
[3] From the second quarter 1975 changes in foreign currency assets have been adjusted to exclude the effect of movements in exchange rates.
[4] Figures have been calculated to exclude the effect of small changes in the number of contributors to the banking statistics.
[5] Figures have been calculated to exclude the effects of the introduction of new statistical returns.

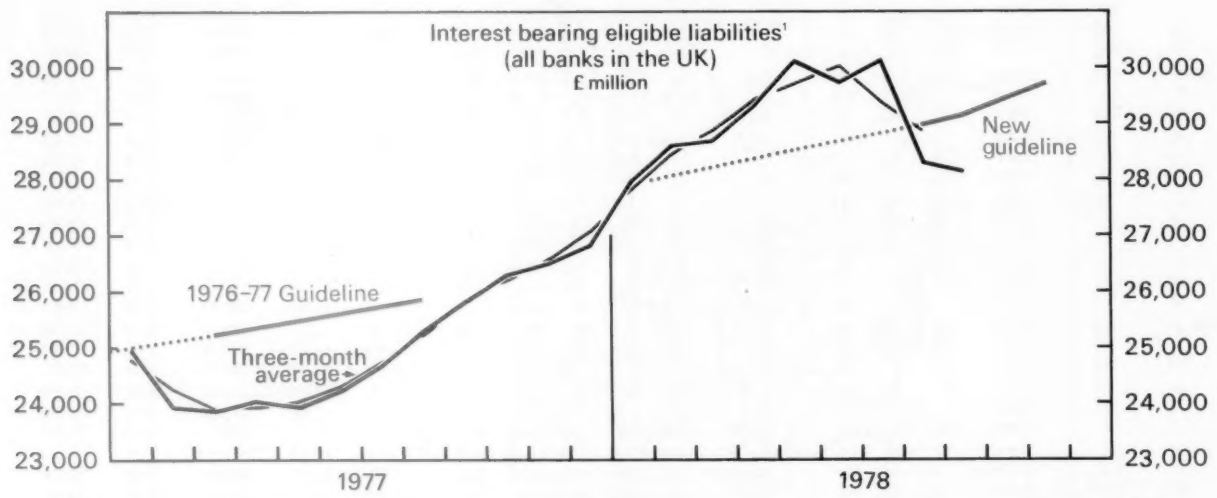
Banks' reserve ratio

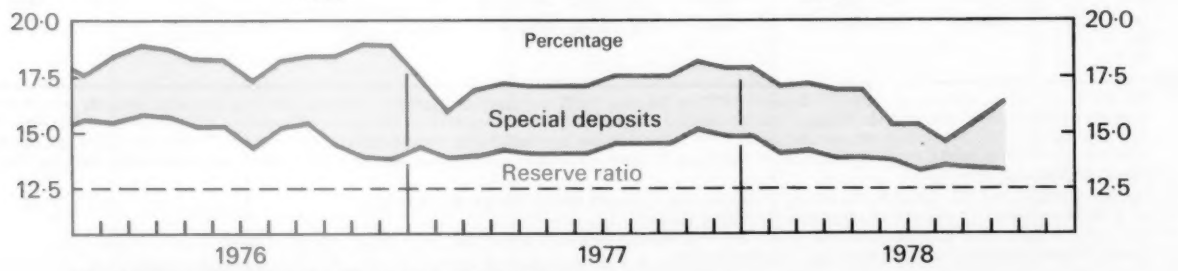
Unadjusted

	£ million		Per cent		£ million		£ million		Per cent		£ million
	Eligible liabilities	*of which:* Interest bearing[1]	Reserve ratio	Special deposits[2]	Supplementary deposits[2,3]		Eligible liabilities	*of which:* Interest bearing	Reserve ratio	Special deposits[2]	Supplementary deposits[2,3]
At mid-month							**At mid-month**				
1976 *J*	33,046	22,509	15·5	2		1977 *J*	37,094	24,672	14·0	3	1
F	33,204	22,929	15·4	3		*A*	37,692	25,319	14·5	3	
M	33,106	22,551	15·8	3		*S*	38,795	25,801	14·5	3	
A	33,907	22,801	15·6	3		*O*	39,709	26,321	14·5	3	
M	33,738	22,745	15·2	3		*N*	40,205	26,491	15·1	3	
J	34,026	23,111	15·2	3		*D*	40,847	26,801	14·8	3	
J	34,987	23,766	14·2	3	1978 *J*		41,676	27,984	14·8	3	
A	35,185	23,955	15·1	3		*F*	42,228	28,617	14·0	3	
S	35,796	24,392	15·4	3		*M*	42,566	28,689	14·1	3	
O	36,623	25,216	14·4	4		*A*	43,864	29,369	13·9	3	
N	37,281	26,085	13·9	5		*M*	44,502	30,098	13·9	3	
D	36,878	25,422	13·8	5		*J*	44,359	29,722	13·8	1½	
1977 *J*	36,148	24,996	14·4	3		*J*	45,022†	30,166	13·3	2	
F	34,835	23,911	13·8	2		*A*	43,401	28,270†	13·5	1	
M	34,977	23,840	13·9	3		*S*	43,503	28,135	13·4	2	
A	35,844	24,009	14·2	3	1977 *O*[4]		44,865	28,917	13·4	3	
M	35,827	23,943	14·0	3	1	*N*					
J	36,278	24,221	14·0	3	—	*D*					

[1] Banks in Northern Ireland were excluded up to the first figure for May 1975. [2] Not yet applicable to banks in Northern Ireland.
[3] For details of the activation of the supplementary special deposit scheme between November 1976 and August 1977, see the additional notes to Table 3 in the Bank of England Quarterly Bulletin. The scheme was re-introduced in June 1978, but no payments can become due until November 1978.
[4] The addition of National Girobank to this series in October inflated eligible liabilities by £310 million and the reserve ratio by 0·1%; hitherto this bank was outside the normal credit control arrangements.







[1] Supplementary special deposits will have to be paid by banks and deposit-taking finance houses, according to growth in excess of the guideline, at rates of 5 per cent (up to 3 per cent excess), 25 per cent (over 3 and up to 5 per cent excess) and 50 per cent (above 5 per cent excess) of interest-bearing eligible liabilities.

Interest rates, security prices and yields

Percentage rate

		Last Friday						Last working day	Average of working days			
		Bank of England's minimum lending rate to the market[1]	Treasury bill yield[2]	Deposits with local authorities (3 months)[3]	London clearing banks: Base rate	London clearing banks: Deposit account: 7 days' notice[4]	Inter-bank (3-month rate)[5]	Sterling certificates of deposit (3 months)	Euro-dollar 3-month rate	Building Societies Association recommended rate on shares[6]	British government securities 2½% Consols yield	*Financial Times* index of industrial ordinary shares, 1 July 1935=100: Price index	Dividend yield	Earnings yield[7]
1967		8	7·63	7¾ – 7⅞	8	6	8 1/16 – 8 3/16	..	6 5/16	4·25	6·69	355·0	5·36	6·69
1968		7	6·89	7¾	7	5	7 13/16 – 8	7⅞ – 7 13/16	7½	4·50	7·39	463·3	4·05	4·99
1969		8	7·80	9 – 9 1/16	8	6	9⅜ – 9½	9⅛ – 9¼	11 3/16	5·00	8·88	419·8	4·43	5·82
1970		7	6·93	7¼	7	5	7⅛ – 7¼	7 3/16 – 7 5/16	7 7/16	5·00	9·16	361·0	4·75	6·54
1971		5	4·46	4½ – 4⅝	4½	2½	4⅝ – 4¾	4⅜ – 4½	5¾	5·00	9·05	386·2	4·76	6·21
1972		9	8·48	8¾	7½	5¾	8 7/16 – 9 1/16	8 1/16 – 9 1/16	5 1/16	5·25	9·11	503·8	3·26	4·98
1973		13	12·82	16 –16⅛	13	9½	16 1/16 –16 3/16	15¾ –16	10⅜	7·50	10·85	435·6	4·12	..
1974		11½	11·30	13½	12	9½	12½ –12 13/16	12⅜ –12¾	10½	7·50	14·95	251·2	8·23	21·47
1975		11¼	10·93	11¼ –11⅜	11	7	11 1/16 –11 3/16	11 –11⅛	6 1/16	7·00	14·66	311·0	6·81	19·49
1976		14½	13·98	14¾ –15	14	11	14⅛ –14⅜	14 1/16 –14¼	5 1/16	7·80	14·25	368·0	5·96	17·61
1977		7		6¾	6¾–7½	3½–4½	6 9/16 – 6¾	6⅛ – 6 7/16	7⅛	6·00	12·32	452·3	5·42	16·50
1975	*O*	12	11·74	11⅜ –11¾	11	7	11 3/16 –11¾	11 7/16 –11½	6 1/16	7·00	14·90	341·9	6·14	16·88
	N	11½	11·30	11⅜ –11 7/16	11	7	11⅛ –11⅜	11 3/16 –11 5/16	7 1/16	7·00	14·79	367·9	5·76	16·02
	D	11¼	10·93	11¼ –11⅜	11	7	11 1/16 –11 3/16	11 –11⅛	6 1/16	7·00	14·86	365·8	5·74	15·98
1976	*J*	10	9·52	9⅞ – 9 15/16	10½	6½	9⅜ – 9 11/16	9 7/16 – 9½	5⅜	7·00	13·78	397·0	5·30	14·91
	F	9¼	8·80	9 – 9⅛	9½	5½	8⅜ – 8⅝	8 1/16 – 8 1/16	5⅜	7·00	13·54	404·2	5·17	14·99
	M	9	8·60	8⅜ – 8¾	9½	5½	8 9/16 – 8 11/16	8 7/16 – 8 9/16	5 7/16	7·00	13·95	404·7	5·12	15·01
	A	10½	10·20	10⅛ –10½	9½	5½	9 13/16 –10 1/16	9⅞ – 9 15/16	5 7/16	7·00	13·97	406·0	5·13	15·17
	M	11½	11·31	11¼ –11⅜	10½	6½	11¼ –11 1/16	11 5/16 –11 7/16	6⅜	6·50	13·72	406·6	5·26	15·19
	J	11½	11·30	11⅛ –11¼	10½	6½	11⅛ –11 1/16	11¼ –11⅜	6 1/16	6·50	14·01	378·6	5·69	16·14
	J	11½	11·17	11 3/16 –11¼	10½	6½	11 1/16 –11¼	11 3/16 –11¼	5 13/16	6·50	13·95	383·8	5·74	16·44
	A	11½	11·25	11⅛ –11¼	10½	6½	11⅛ –11 1/16	11 3/16 –11¼	5 1/16	6·50	14·11	368·1	6·03	17·55
	S	13	12·74	12¾ –12⅞	12	8½	12¼ –12¾	12½ –12⅝	5⅝	6·50	14·47	344·0	6·52	19·23
	O	15	14·97	15¼ –15½	14	11	15⅛ –15⅜	15 3/16 –15½	5 7/16	6·50	15·43	293·6	7·61	23·07
	N	14¾	14·54	15 –15¼	14	11	14¾ –14 15/16	14 9/16 –14 11/16	5 5/16	7·80	15·22	301·0	7·28	22·66
	D	14¼	13·98	14¾ –15	14	11	14⅛ –14⅜	14 1/16 –14⅛	5 1/16	7·80	14·82	328·6	6·67	20·91
1977	*J*	12¼	12·09	12⅜ –13⅜†	13	9½	12⅛ –12⅜	12 –12 1/16	5¼	7·80	13·67	374·7	6·01	18·69
	F	12	11·06	11⅜	11½	8	11 5/16 –11 7/16	11⅛ –11 3/16	5 3/16	7·80	13·47	393·8	5·83	18·77
	M	10½	9·57	9½ – 9⅝	9½	6½	9¾ – 9 1/16	9 9/16 – 9⅝	5 7/32	7·80	12·85	418·2	5·39	16·91
	A	8½	7·64	8⅛	9	4½	7 13/16 – 8 1/16	7 13/16 – 7⅞	5 5/16	7·80	12·55	415·1	5·51	16·82
	M	8	7·57	7¾ – 7⅞	8½	4	7 1/16 – 7 1/16	7 1/16 – 7¾	6 1/16	7·00	12·41	456·7	5·08	15·54
	J	8	7·60	7⅞ – 8	8½	4	7⅞ – 8	7⅞ – 7 13/16	5 5/16	7·00	12·85	450·5	5·19	15·83
	J	8	7·44	7⅝ – 7¾	8½	4	7⅝ – 7 13/16	7 9/16 – 7 11/16	6¼	6·70	13·11	443·1	5·37	16·09
	A	7	6·52	6⅝ – 6¾	8	4	6⅜ – 6¾	6⅜ – 6 1/16	6⅜	6·70	12·56	478·6	5·23	15·26
	S	6	5·37	5 3/16 – 5⅞	7	3	5¾ – 5 15/16	5⅝ – 5 23/32	6 29/32	6·70	11·52	522·8	5·08	14·98
	O	5	4·53	4¾ – 5	6	3	4 3/16 – 5	4 3/16 – 4 5/16	7½	6·70	10·84	511·9	5·26	15·55
	N	7	6·53	6¾	6	3	6½ – 7⅛	6⅝ – 6 11/16	7 3/32	6·00	11·04	480·5	5·56	16·72
	D	7	6·39	6¾	6¾–7½	3½–4½	6 9/16 – 6¾	6⅜ – 6 7/16	7⅛	6·00	10·90	481·6	5·56	16·83
1978	*J*	6½	5·85	6¼ – 6 5/16	6½	3	6 5/16 – 6½	6⅛ – 6¼	7 15/16	6·00	10·67	482·3	5·57	16·96
	F	6½	6·07	6⅜ – 6¾	6½	3	6⅜ – 6⅝	6⅜ – 6¾	7 7/16	5·50	11·21	457·9	5·85	17·74
	M	6½	6·02	6⅝ – 7	6½	3	6 1/16 – 7	6 1/16 – 6 1/16	7 9/16	5·50	11·18	454·9	5·94	17·51
	A	7½	7·12	8 – 8⅛	7½	4	8 3/16 – 8½	8⅛ – 8¼	7 23/32	5·50	11·65	460·9	5·85	17·25
	M	9	8·67	9¼	9	6	9 5/16 – 9 7/16	9 3/16 – 9¼	7 15/16	5·50	12·07	476·6	5·58	16·86
	J	10	9·49	9⅞ –10 1/16	10	6½–7	10 1/16–10¼	9 15/16–10 1/16	8 5/32	5·50	12·31	466·1	5·68	16·65
	J	10	9·33	10⅛–10¼	10	6½–7	9 15/16–10 3/16	9 13/16 – 9 15/16	8 17/32	6·70	12·20	472·2	5·62	17·06
	A	10	9·03	9¼ – 9⅜	10	6½–7	9 3/16 – 9⅜	9 3/16 – 9 5/16	8 5/32	6·70	12·15	508·8	5·28	15·88
	S	10	9·38	9⅜ – 9⅝	10	6½–7	9 9/16 – 9 13/16	9½ – 9⅝	9 9/16	6·70	12·17	516·0	5·21	15·02
	O	10	10·56	10¾–10⅞	10	6½–7	10¾ –11 1/16	10 1/16–11	11 9/32	6·70	12·42	497·5	5·42	15·09
	N													
	D													

[1] Previously known as Bank Rate. From 13 October 1972 to 24 May 1978, the Bank of England's minimum lending rate was normally set ½% higher than the average rate of discount for Treasury bills established at the weekly tender, rounded to the nearest ¼% above. With effect from 25 May 1978 the rate has been determined by administrative decision with changes normally being announced at 12.30 p.m. on Thursdays; a new rate becomes effective, for lending by the Bank, immediately. For changes in Bank Rate 1932–72 see *Supplement of Definitions and Explanatory Notes* to *Monthly Digest of Statistics (HMSO)*.

[2] Average discount rate expressed as the rate at which interest is earned during the life of the bills.

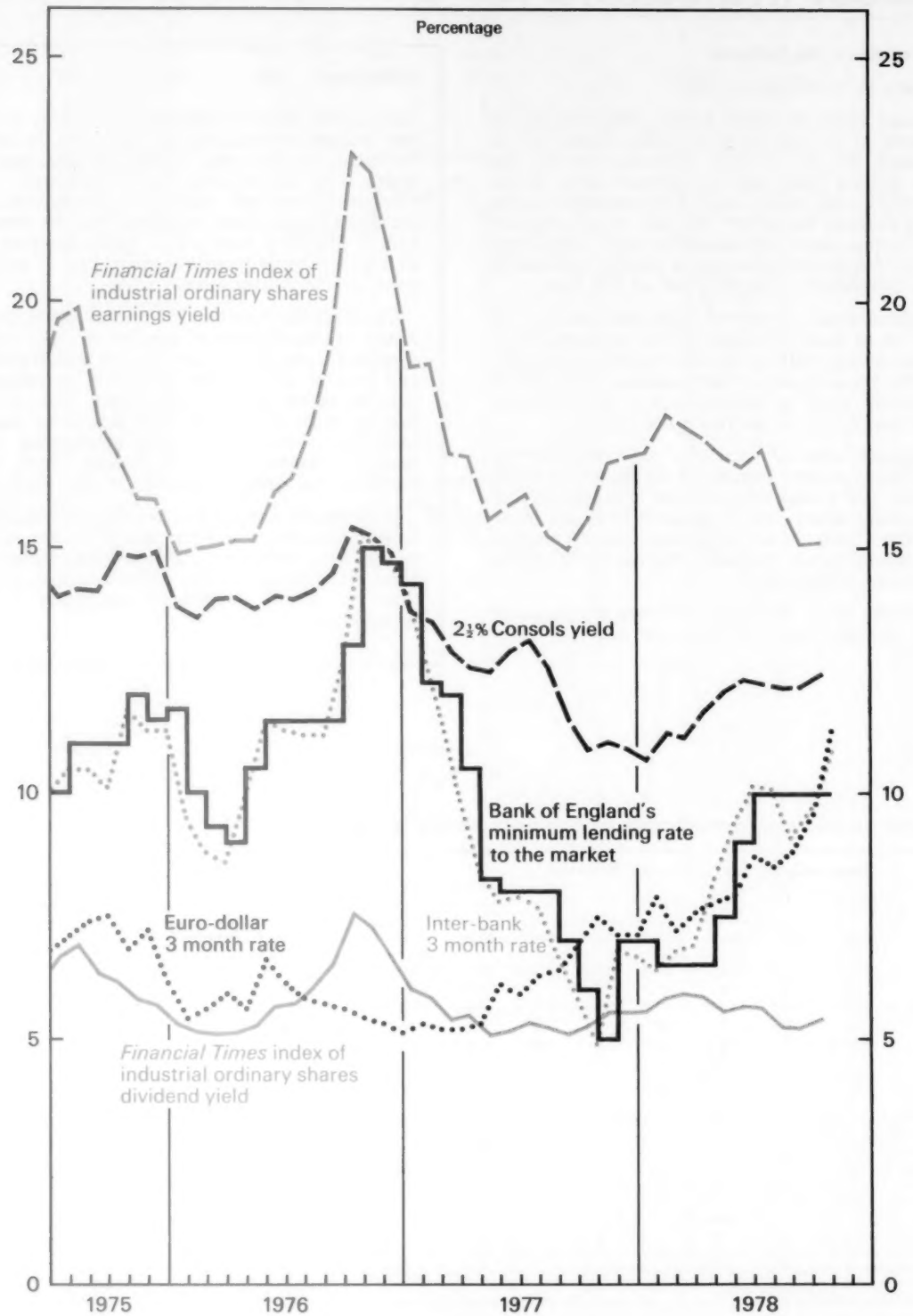
[3] For a minimum term of 3 months and thereafter at 7 days' notice.

[4] Rate paid on deposits of less than £10,000, which was restricted to 9½% from September 1973 to 28 February 1975.

[5] Spread of rates over the day in the inter-bank sterling market.

[6] Net of income tax where this is paid by societies at the agreed composite rate.

[7] A change in basis of calculation of the Earnings yield occurred on 26 February 1973 and is explained in *Financial Statistics Explanatory handbook*. No meaningful average for 1973 is therefore available.


Percentage
25
20
15
10
5
0
Financial Times index of industrial ordinary shares earnings yield
2½% Consols yield
Bank of England's minimum lending rate to the market
Euro-dollar 3 month rate
Inter-bank 3 month rate
Financial Times index of industrial ordinary shares dividend yield
1975
1976
1977
1978

Cyclical indicators for the UK economy

Recent movements of the indicators

(data available to 14 November 1978)

The composite index of *longer leading indicators* fell in October. Both of the two series available contributed to this movement: the FT Actuaries 500 index fell and the short term interest rate, used in inverted form in the composite index, rose quite sharply. The smoothed series for housing starts in September also fell. Taken together these latest values make the composite index of leading indicators fall for almost 13 successive months, continuing the pattern established in the first half of this year.

The composite index of *shorter leading indicators* rose in September due to further increases in the smoothed series for both new car registrations and hire purchase new credit extended. The latest figures for bankruptcies, which fell in the third quarter, (used in inverted form in the composite index) also contributed to the rise in the index.

The composite index of *coincident indicators* rose in September due to a slight increase in the smoothed series for retail sales, and a small improvement in the proportion of firms working below capacity derived from the latest CBI Industrial Trends Survey. Together these movements offset the decrease in the September figures for the index of manufacturing production.

The composite index of *lagging indicators* rose again in October as unemployment fell back and vacancies continued to rise.

Definitions[1]

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-term trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is an economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the values of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of similar amplitude, and inversion where appropriate.

Values and timing characteristics of the composite indices

	Most recent values[2] January 1975 =100												Lead (−) or lag (+) in months relative to reference cycle dates[3]		
	1977			1978											
	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Mean	Earliest	Latest
Longer leading ..	111·6	110·0	109·0	108·4	106·0	103·9	101·6	100·4	100·1	100·8	100·3	98·9	−12	−17	−7
	4	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*3*	*3*	*3*	*2*			
Shorter leading ..	112·7	114·4	115·7	117·1	115·9	114·8	113·3	113·5	116·0	117·9	119·4		−5	−9	−1
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*3*	*3*				
Coincident ..	102·9	103·6	104·6	105·0	106·7	108·3	110·3	111·2	112·8	113·2	113·7		+2	—	+6
	6	*6*	*6*	*6*	*6*	*6*	*6*	*6*	*3*	*3*	*3*				
Lagging	92·3	92·9	93·6	94·3	95·3	96·3	97·7	98·1	98·4	98·4	99·8	101·4	+11	+5	+18
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*3*	*2*	*2*	*2*			

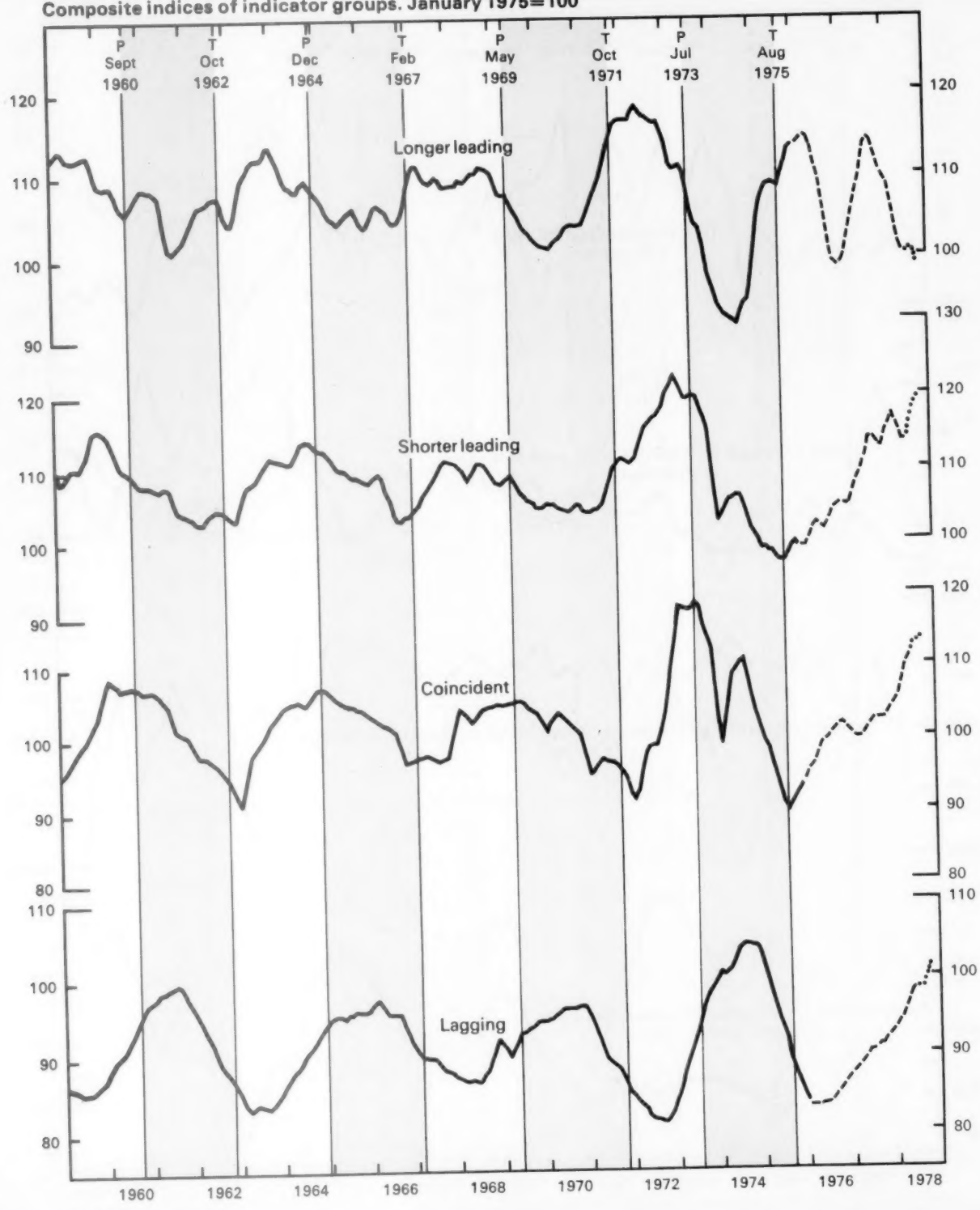
[1] A full explanation of the methodology used is given in *Economic Trends*, No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February, May, August and November issues, a further eight pages showing individual indicator series.

[2] In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revision each month, both because of revisions to the series from which they are formed and because of the nature of the trend-elimination process used in their calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to-month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend-elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO Press Office. 01-233 6193.

[3] The table incorporates changes to the timing characteristics of series due to revisions to data and the rebasing on 1975 of some series. Further changes may be necessary when all rebased series become available and the current review of the reference cycle chronology is completed.

Cyclical indicators

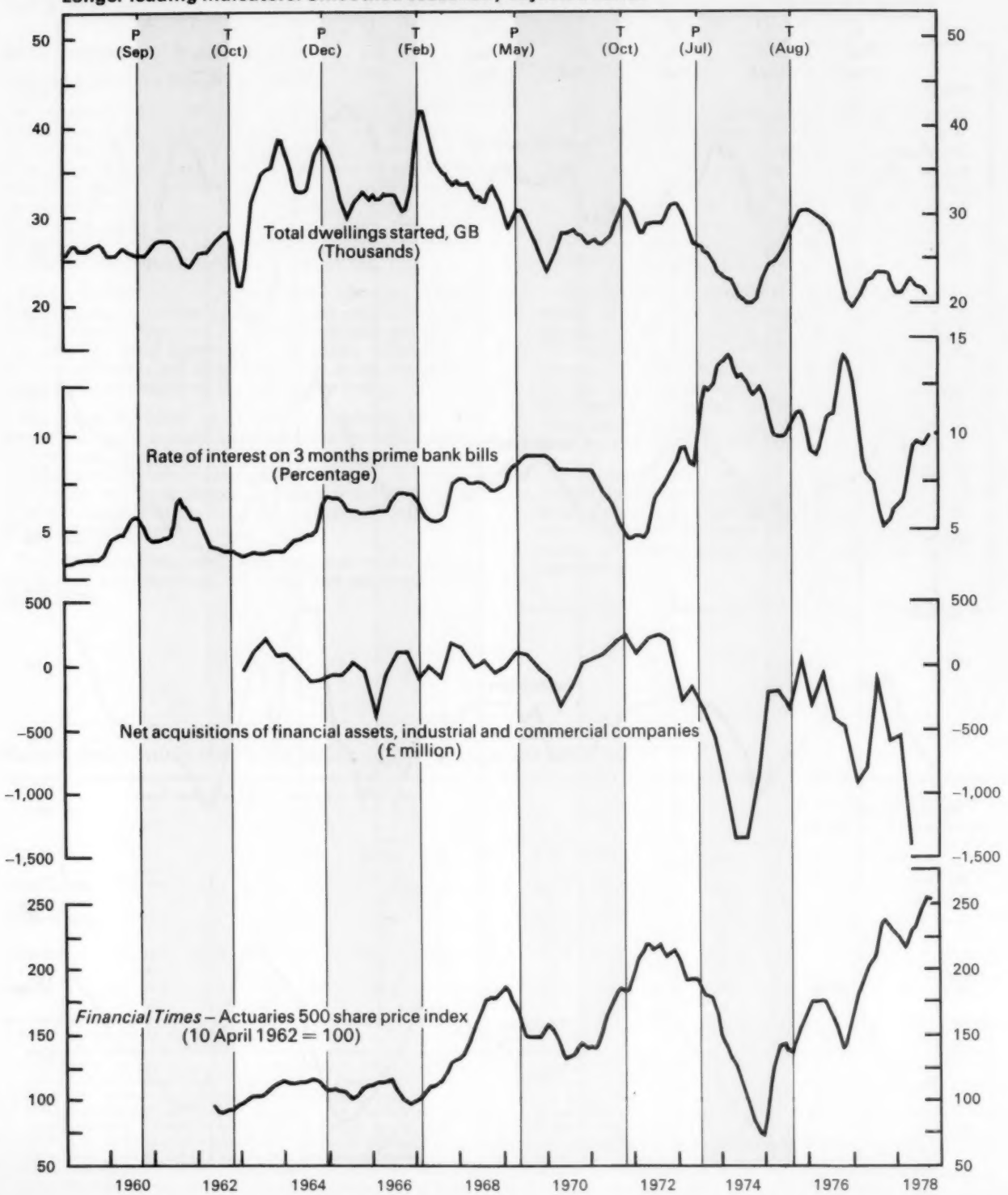
Composite indices of indicator groups. January 1975=100



P = Peak, T = Trough

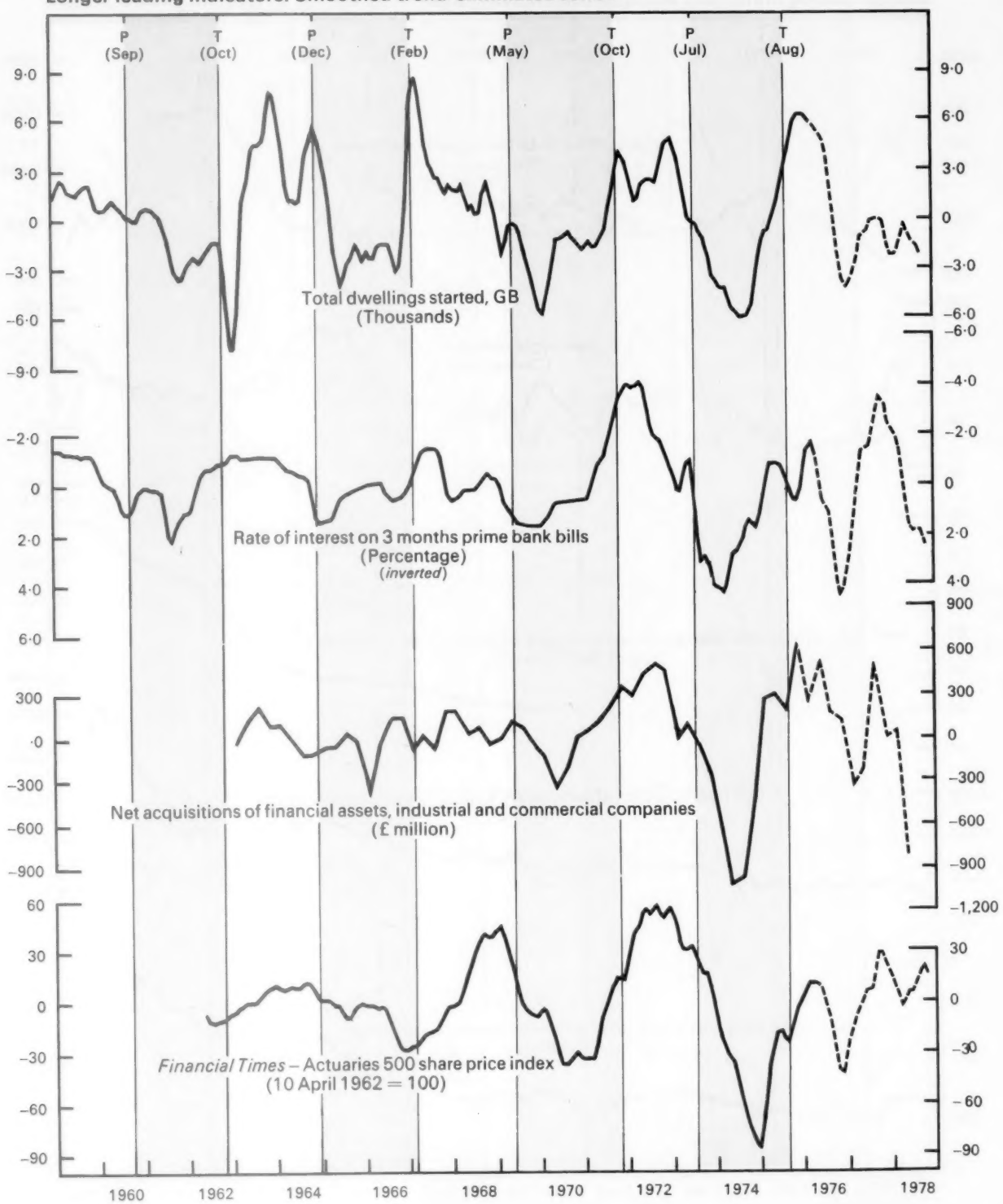
Cyclical indicators by timing classification

Longer leading indicators. Smoothed seasonally adjusted series



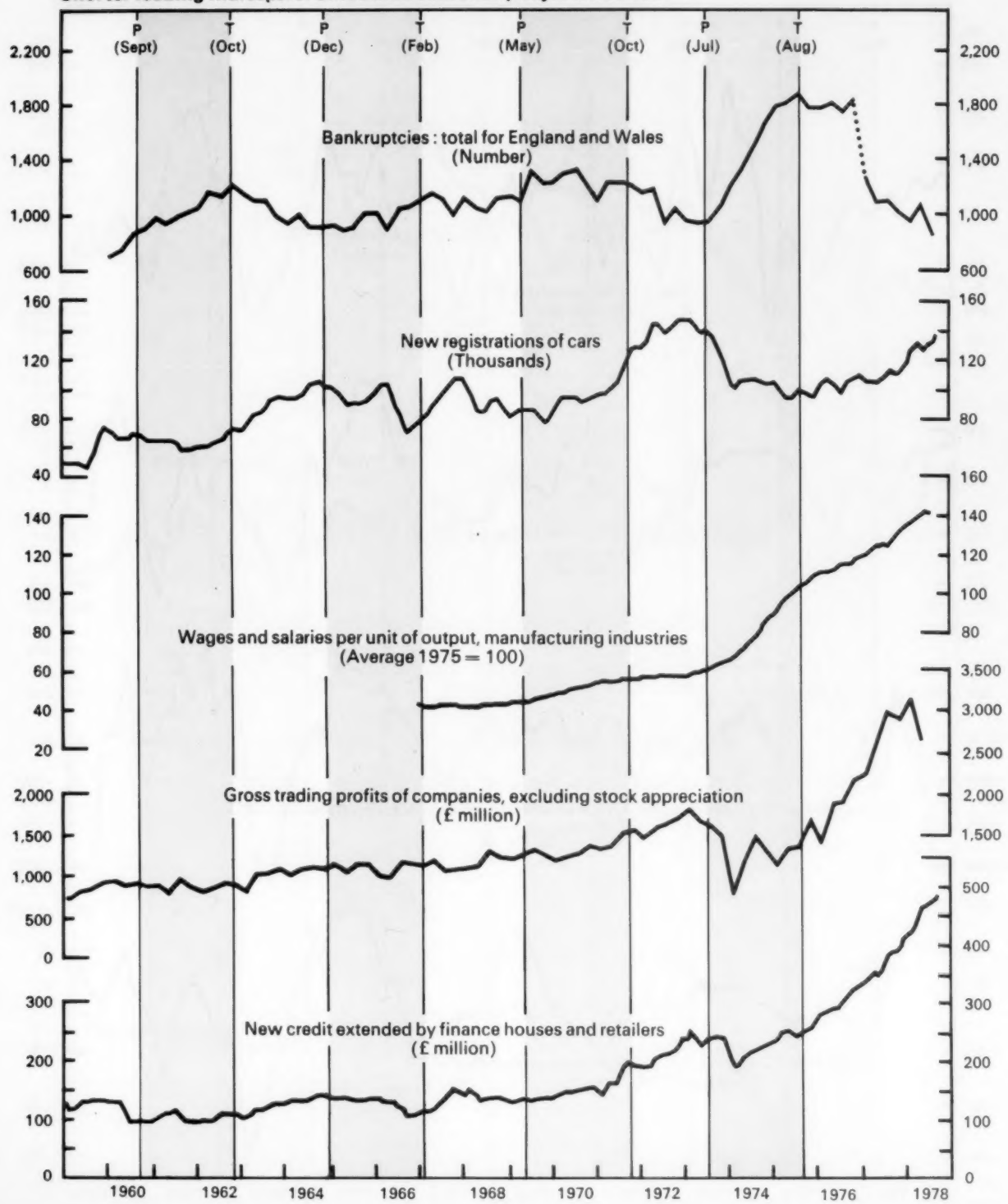
Cyclical indicators by timing classification

Longer leading indicators. Smoothed trend-eliminated series



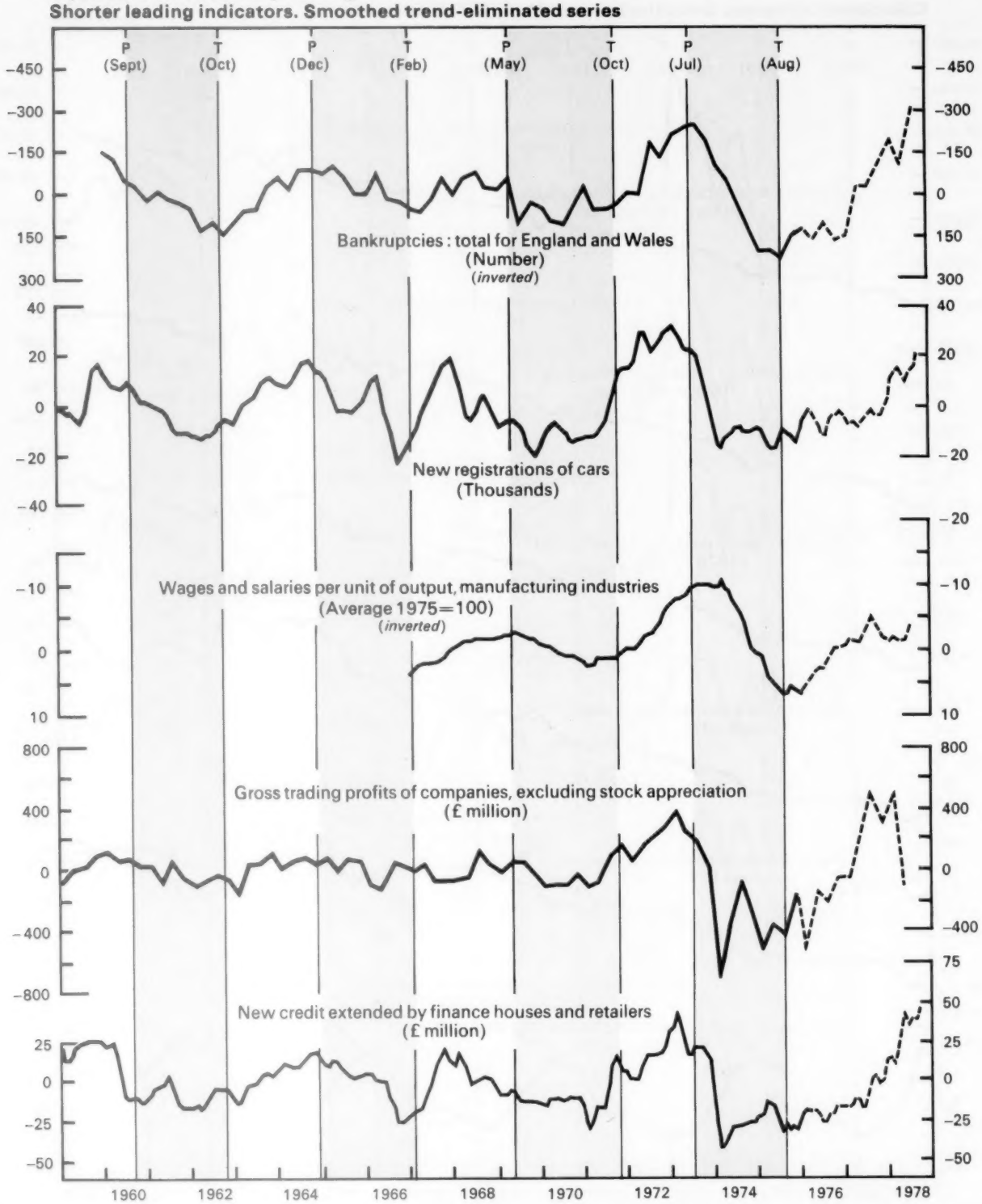
Cyclical indicators by timing classification

Shorter leading indicators. Smoothed seasonally adjusted series



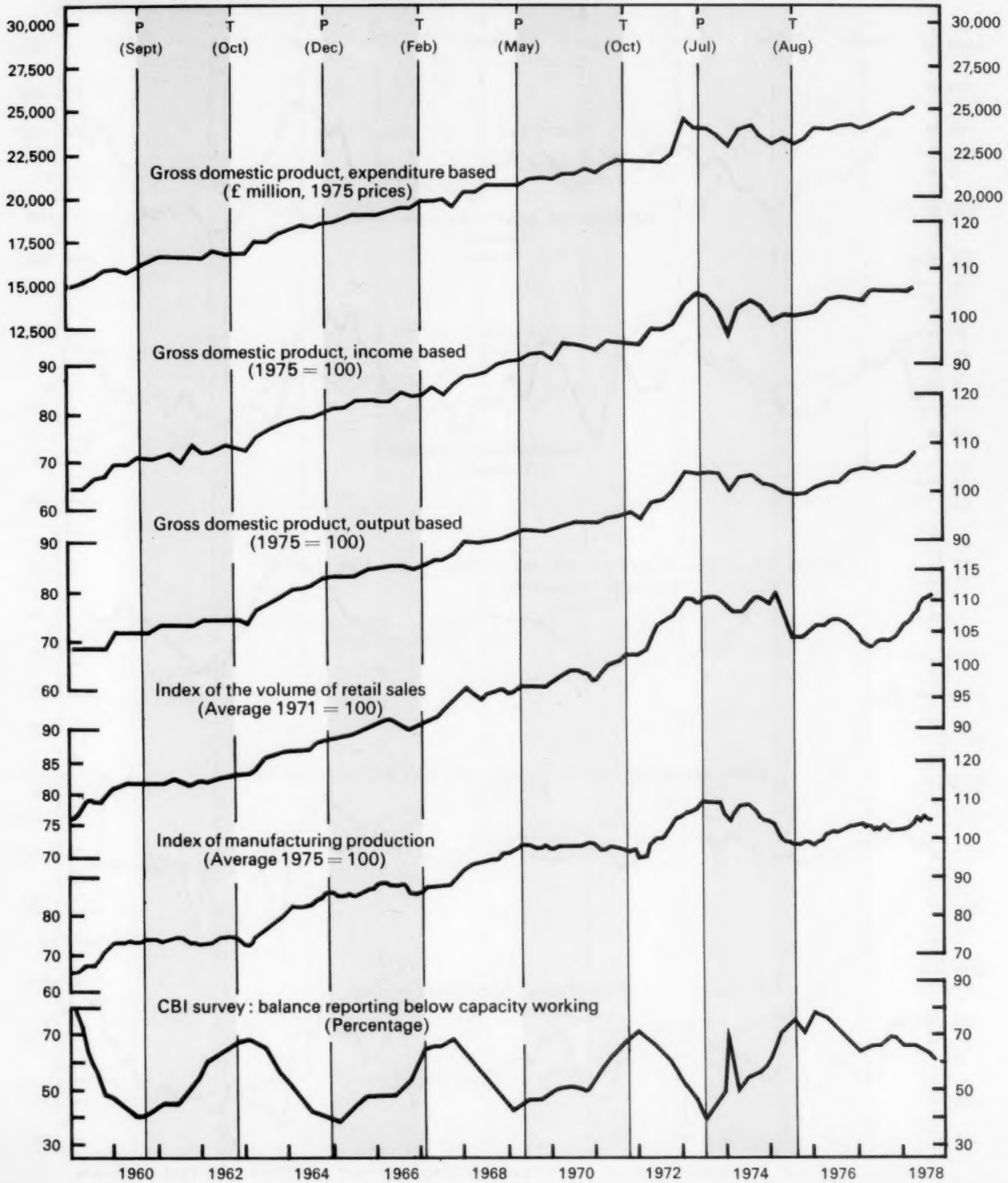
Cyclical indicators by timing classification

Shorter leading indicators. Smoothed trend-eliminated series



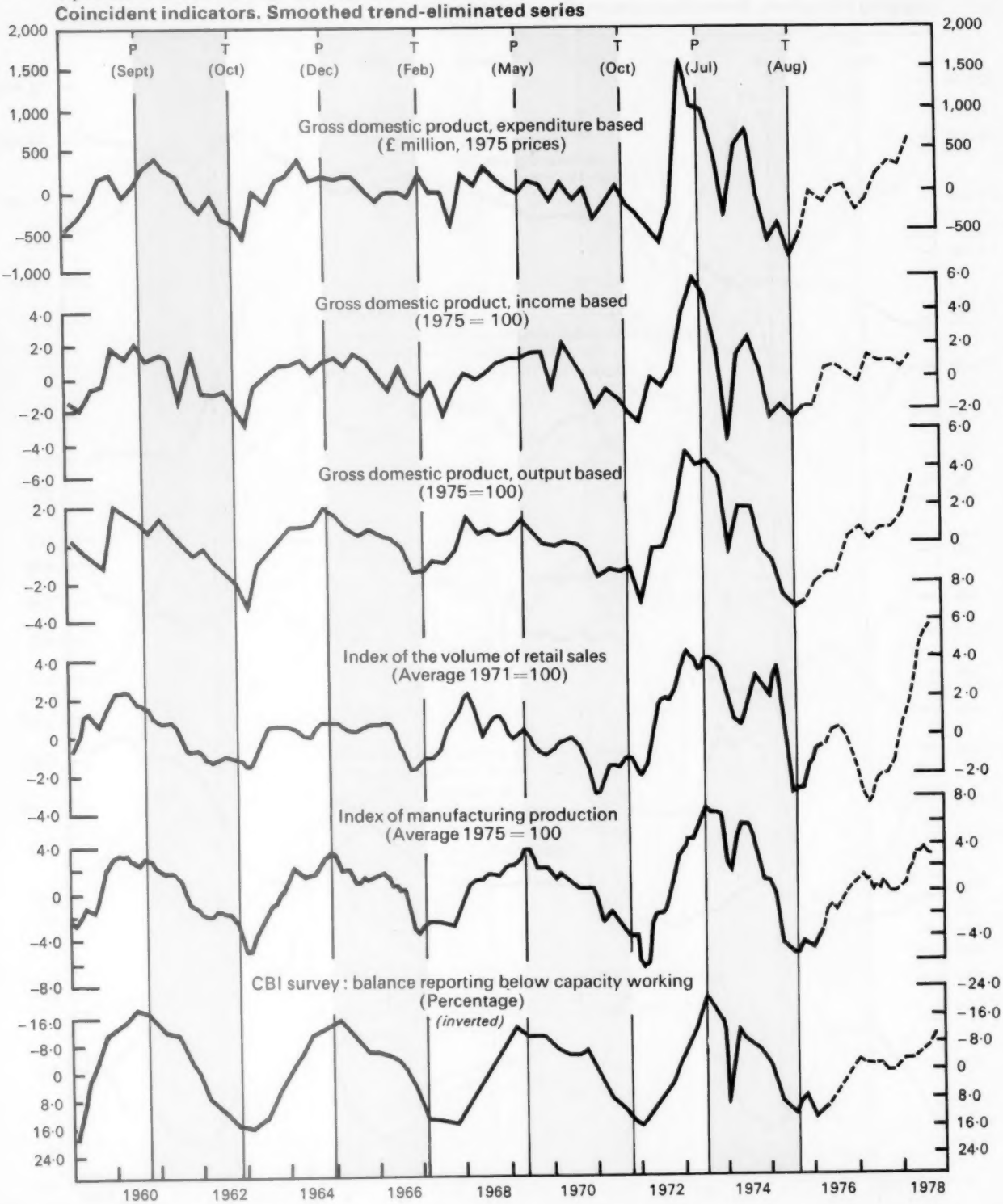
Cyclical indicators by timing classification

Coincident indicators. Smoothed seasonally adjusted series



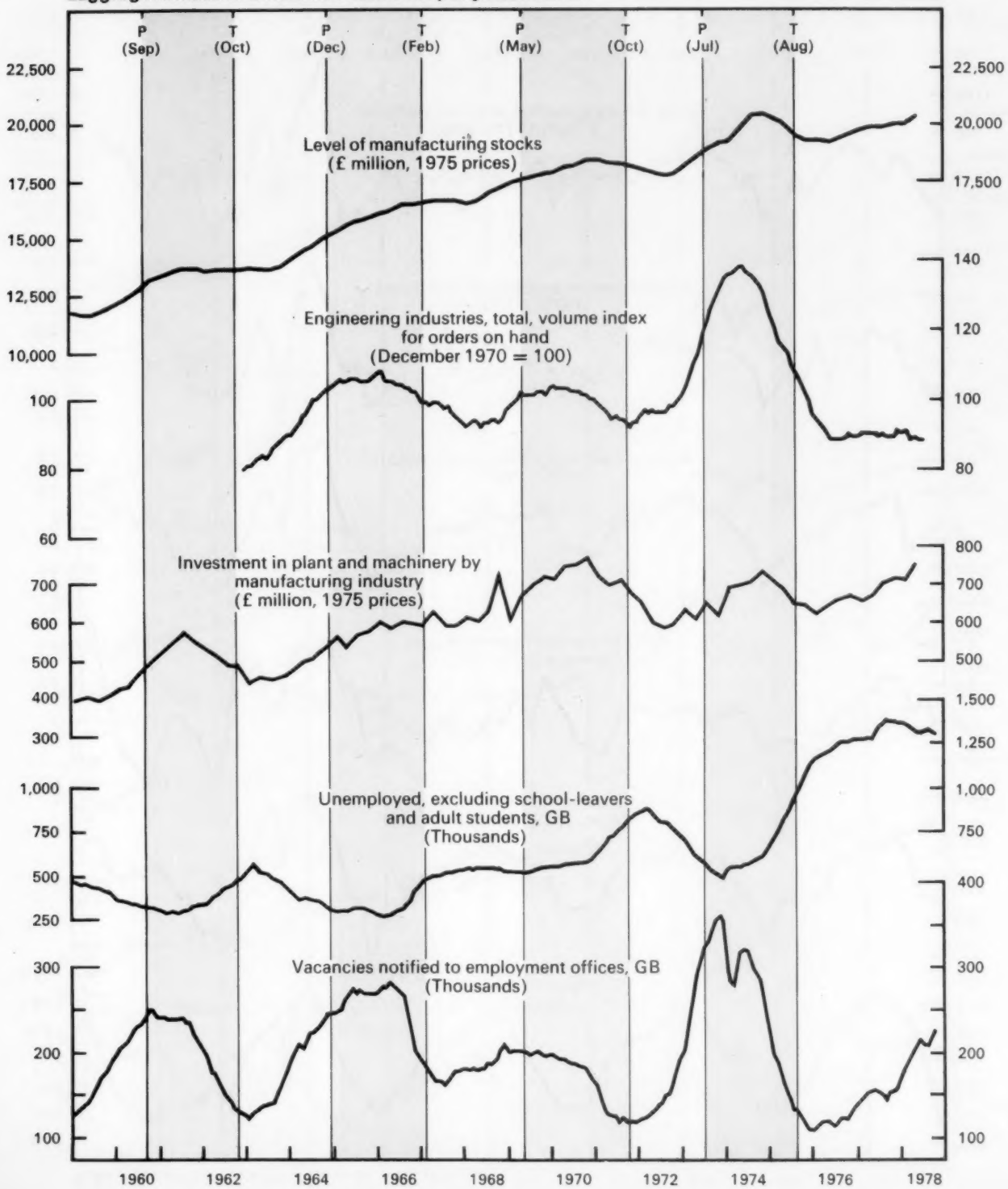
Cyclical indicators by timing classification

Coincident indicators. Smoothed trend-eliminated series



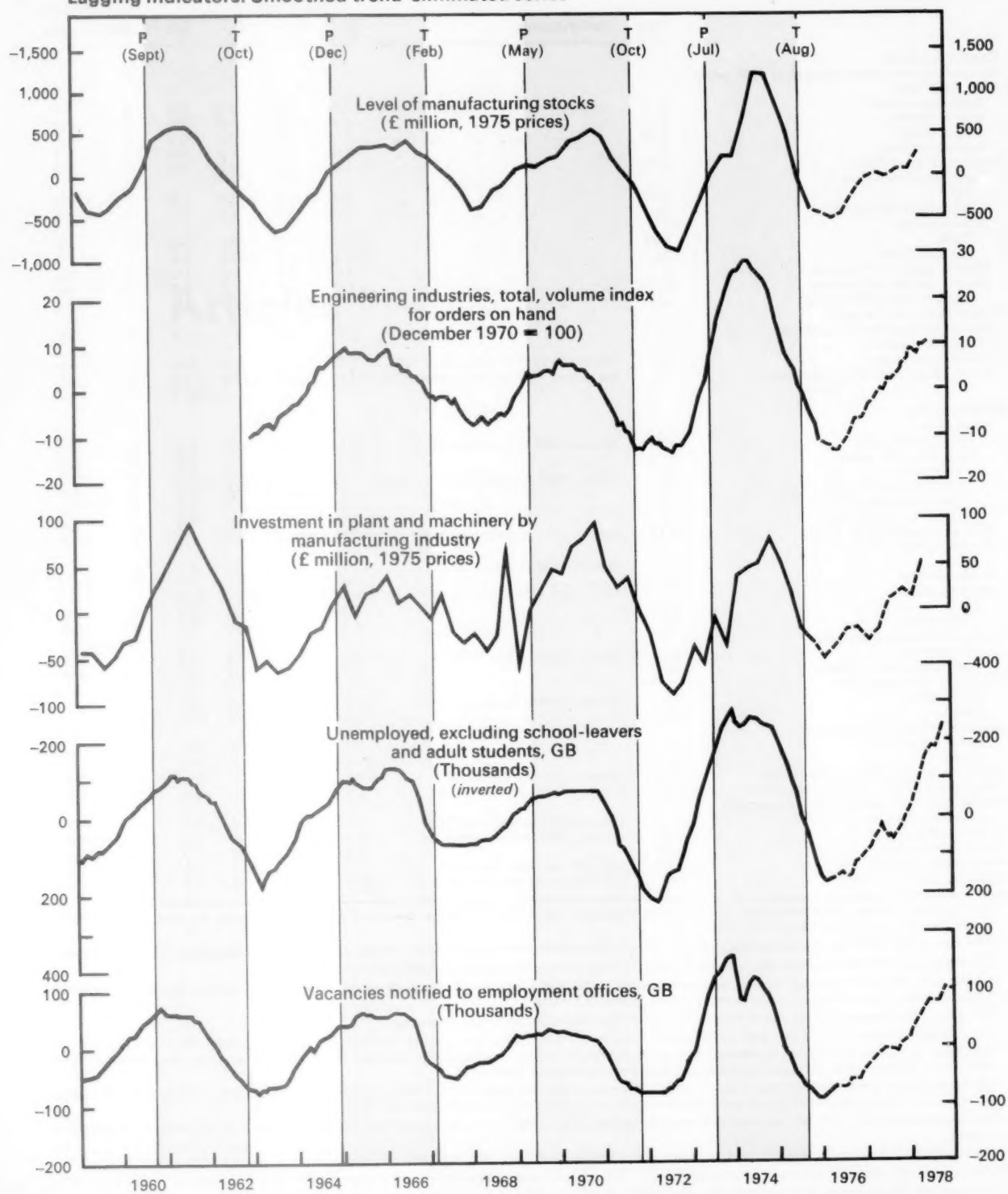
Cyclical indicators by timing classification

Lagging indicators. Smoothed seasonally adjusted series



Cyclical indicators by timing classification

Lagging indicators. Smoothed trend-eliminated series



Measures of variability of selected economic series[1]

	Page	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I}/\overline{C}$	MCD or QCD	$\overline{I}/\overline{C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1975 prices								
GDP, factor cost								
Expenditure based	6	1st quarter 1968 to 2nd quarter 1978	1·3	0·8	0·9	0·9	1	0·9
Income based	6	" " " " " " "	1·4	0·8	1·0	0·9	1	0·9
Output based	6,28	" " " " " " "	1·0	0·6	0·7	0·9	1	0·9
Average estimate	6	" " " " " " "	1·0	0·6	0·8	0·8	1	0·8
Consumers' expenditure	8,10	" " " " " " "	1·1	0·6	0·8	0·8	1	0·8
Fixed capital formation								
Total	8,16	" " " " " " "	2·0	1·6	0·9	1·9	2	0·9
Manufacturing industry	18	" " " " " " "	3·9	2·5	2·4	1·1	2	0·4
Stockbuilding[2]								
Total	8,22	" " " " " " "	*213·4*	*136·2*	*146·1*	0·9	1	0·9
Manufacturing	22	" " " " " " "	*172·4*	*118·2*	*102·9*	1·2	2	0·5
Exports: goods and services	8	" " " " " " "	3·0	2·2	1·9	1·2	2	0·5
Imports: goods and services	8	" " " " " " "	2·9	2·2	1·6	1·4	2	0·5
Personal disposable income	10	" " " " " " "	1·7	1·2	1·2	1·1	2	0·3
Other national income series								
Gross trading profits of companies	58	" " " " " " "	3·6	2·5	3·2	0·8	1	0·8
Other quarterly series								
Construction output	30	1st quarter 1955 to 2nd quarter 1978	2·2	1·3	1·5	0·9	1	0·9
Public sector borrowing requirement[6]	54	1st quarter 1971 to 2nd quarter 1977	*356·0*	*349·0*	*171·0*	2·0	2	0·2
Monthly series								
Retail sales								
Total: current prices	12	January 1961 to December 1977	1·0	0·6	0·7	0·9	1	0·9
Total: constant prices	5,12	" " " " "	0·7	0·6	0·3	2·5	3	0·9
Food shops	12	" " " " "	0·6	0·6	0·2	2·9	4	0·8
Clothing and footwear shops	12	" " " " "	2·0	1·9	0·4	5·6	6	0·9
Durable goods shops	12	" " " " "	1·8	1·7	0·7	2·2	3	0·8
Other non-food shops	12	" " " " "	1·1	1·0	0·3	2·8	3	1·0
Cars: new registrations	5,12	January 1971 to December 1977	7·8	7·4	1·6	4·6	6	0·9
Housing: public authorities[4]								
Starts	20	January 1956 to December 1977	11·7	11·4	1·7	6·7	6	
Completions	20	" " " " "	7·8	7·6	1·1	7·0	6	
Housing; private								
Starts	20	" " " " "	8·3	8·0	2·4	3·4	4	0·9
Completions	20	" " " " "	6·1	6·0	0·9	6·5	6	1·0
Index of industrial production:								
All industries	5,26,28	January 1973 to July 1978	0·9	0·8	0·4	1·9	3	0·9
Manufacturing industries	26	" " " " "	1·2	1·0	0·4	2·5	3	1·0
Passenger car production:								
Home market	32	January 1968 to December 1977	11·9	11·7	2·0	5·9	6	
Export	32	" " " " "	11·2	11·0	0·8	13·8	6	
Commercial vehicle production:								
Home market	32	" " " " "	9·2	8·9	1·4	6·2	6	
Export	32	" " " " "	11·0	10·8	1·5	7·4	6	
Unemployed excluding school-leavers[5]	5,36	January 1961 to January 1978	*13·5*	*4·5*	*12·2*	0·4	1	0·4
Vacancies notified to employment offices[5]	5,36	August 1960 to January 1978	*5·9*	*2·4*	*5·3*	0·5	1	0·5
Average earnings (older series): production industries and some services	40	January 1963 to December 1977	1·0	0·4	0·9	0·5	1	0·5
Exports: value, f.o.b.	5,46	January 1964 to December 1976	3·1	2·7	1·3	2·0	2	0·9
Imports: value, f.o.b.	5,46	" " " " "	2·9	2·6	1·4	1·9	2	0·9
Money stock (sterling M_3)[3]	5,50	July 1971 to December 1977	1·3	0·6	1·2	0·5	1	0·5
Domestic credit expansion[3]	52	July 1971 to September 1977	94·1	73·3	17·9	4·1	5	1·0

[1] For a complete description of these measures see article 'Measuring variability in economic time series' in *Economic Trends*, No. 226, August 1972. The following are brief definitions of the measures.

$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.

$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.

$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes [2], [3], [5] and [6].

$\overline{I}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I}/\overline{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

[2] The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present seasonal adjustment of the published stocks series is done multiplicatively on the level of stocks.

[3] Although the series is seasonally adjusted additively the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are presented as percentages of the level of the trend in the preceding quarter.

[4] Series relate to Great Britain, though variability measures calculated from England and Wales component.

[5] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

[6] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in units of £ million.

Articles

Title	Page
Regional accounts: further estimates for 1976	79
The distribution of personal wealth	101
The economic situation and prospects for 1979	119

Regional accounts: further estimates for 1976

Introduction

Preliminary estimates of gross domestic product (GDP) and personal incomes by region for 1976 were given in an article in the June 1978 issue of *Economic Trends*. Revised estimates, which take account of additional data, are presented with some further tables in the Appendix to this article. They are consistent with the UK totals published in *National Income and Expenditure 1967–77* (the Blue Book).

The Appendix tables follow much the same structure as those given in the regional accounts article of a year ago. Thus regional GDP is analysed by industry groups at approximately Order level of the Standard Industrial Classification (SIC), and tables are shown for regional personal incomes, consumers' expenditure and fixed investment. Estimates of regional taxes on expenditure and subsidies are also included. A full description of the methods of compilation of the regional accounts was published earlier this year in a booklet in the Studies in Official Statistics series*.

An analysis by industry of GDP for the Greater London area within the South East region is also given. The estimates for the Greater London area use the same methods and data sources as the estimates for standard regions wherever possible but certain adjustments are necessary to the employment data used in the estimates of wages and salaries to compensate for the large number of employees working in Greater London but resident outside the area. These adjustments are described in the recently published Studies in Official Statistics booklet. The need for these adjustments suggests that the analysis of GDP and wages and salaries by industry for the Greater London and Rest of the South East areas should be considered less reliable than those for the standard regions.

The estimates of wages and salaries for 1975 and 1976 are now based on results from 1 per cent samples taken from DHSS national insurance records. Revisions have also been made to profits and surpluses for 1974 to 1976 using data from the 1974 and 1975 annual censuses of production. The incorporation of these and other new data, which has resulted in significant revisions for some regions, is briefly described later in this article.

Changes in GDP per head between 1971 and 1976

The estimates now available enable a comparison of relative movements for both industries and regions to be made between the years 1971 and 1976. An analysis of the changes is shown in Tables A and B. Table B shows results using a standard 'components of change' or 'shift-share' technique which calculates the regional percentage changes in GDP per head relative to the national change between the two years, and within this change distinguishes a structural component and a growth component for each region. The national GDP aggregate used as the 'benchmark' against which the regions are compared excludes the profits of the oil and gas extraction industry, allocated to the Continental Shelf in the regional accounts. A technical note describing this method of analysis is given at the end of this article.

Difference between the percentage increase in GDP per head of population in each region and the UK average

TABLE A

	1971–5 annual rate	1975–6
North	+3·8	+0·3
Yorkshire and Humberside	+0·3	+1·6
East Midlands	+0·5	−1·9
East Anglia	−1·1	—
Greater London	+0·3	−0·9
Rest of South East	−0·8	+0·1
South West	−1·5	−0·1
West Midlands	−1·4	−1·8
North West	−0·2	+0·9
Wales	+1·1	—
Scotland	+1·9	+1·4
Northern Ireland	+0·3	+3·5

Care must be taken in interpreting the results of this analysis. It is based on regional data at current prices, although it is more usual at the national level to measure growth in GDP at constant prices. No satisfactory regional information on prices exists to deflate the current price estimates of GDP for the regions. The derived growth rates therefore include the effects both of price rises and of changes in real terms, so that the differences in regional rates of growth shown in the tables may have been due in part to regional differences in cost or price rises rather than to different rates of growth in 'real output'. The results also depend to a considerable extent on the degree of industrial disaggregation used in the analysis: this is based on data at the SIC Order level.

There is a discontinuity in the estimates over the period 1971–6 due to the reorganisation of local government in England and Wales in April 1974, which caused the regional boundaries for the North, Yorkshire and Humberside, East Midlands and the North West regions to change. The effect of this discontinuity has been reduced in the shift-share analysis by the choice of GDP per head as the variable to be analysed.

The structural component

The structural component of the percentage growth in GDP per head for each region relative to the United Kingdom is shown in Table B. This component measures the extent to which a region's growth is affected by the particular combination of industries found in the region. The calculated structural components depend critically upon the two years chosen for the analysis. The period 1971 to 1976 is too short for the national growth of different industries to be entirely dominated by long-term trends, and shorter term fluctuations may have affected the picture.

* Studies in Official Statistics No. 31, *Regional Accounts* (HMSO 1978).

Contributions to the difference between the percentage increase in GDP per head of population in each region and the UK average, at current prices, 1971—6

TABLE B

	Growth component[1]								
	Mining and quarrying	Chemicals, metal manufacturing, engineering and allied industries	Other manufacturing	Other production industries and agriculture	Distribution and transport	Other services	All industries	Structural component[1]	Total
North	−0·7	11·7	2·2	2·5	2·0	1·4	19·1	0·3	19·4
Yorkshire and Humberside	0·6	0·8	1·6	1·3	0·2	1·1	5·6	−1·0	4·6
East Midlands	−0·7	−0·3	−0·5	1·6	0·1	0·3	0·5	−1·8	− 1·3
East Anglia	−0·2	0·6	−0·5	−1·8	1·9	−5·5	− 5·5	0·7	− 4·8
Greater London	−0·0	−2·5	−2·3	−1·2	0·8	3·2	− 2·1	2·0	− 0·1
Rest of South East	0·0	−1·4	−0·2	−0·8	0·8	−3·6	− 5·2	1·7	− 3·5
South West	−0·4	1·4	−1·0	−2·3	−1·9	−5·0	− 9·3	2·3	− 7·0
West Midlands	0·0	−3·9	0·3	−1·0	−0·4	−0·2	− 5·2	−4·3	− 9·5
North West	−0·1	−0·1	1·8	−0·8	−0·9	3·4	3·2	−2·5	0·7
Wales	−0·6	2·4	0·7	−1·7	−0·0	1·8	2·6	2·9	5·5
Scotland	0·4	3·3	0·1	4·0	1·1	3·0	12·0	−0·2	11·8
Northern Ireland	0·2	1·2	0·4	1·6	2·2	5·2	10·9	−3·0	7·9

[1] These measures are defined in a technical note at the end of this article.

Thus the structural effects shown have been influenced by the large increase in the net output of the mining and quarrying industry at current prices, reflecting the increases in pay and fuel prices which occurred during the period but are contrary to past trends over the longer term. Other movements more in line with longer term trends are an above-average rise in value added in services and a relatively low growth in manufacturing industry. Over the period 1971 to 1976 there was particularly low growth of net output in metal manufacturing, vehicles including shipbuilding, and in textiles.

The South West and South East regions benefited from the growth in the service industries and the positive structural component in Wales is due to the large mining and quarrying and construction industries in the region. Regions with negative structural components are those with a high proportion of value added in manufacturing industry, although in the North the effect of a relatively large manufacturing industry was partially offset by the above-average concentration of mining and quarrying.

A measure of dissimilarity of regional industrial structure from the UK average[1]

TABLE C

	1971	1976
North	11·3	12·7
Yorkshire and Humberside	12·3	12·2
East Midlands	13·6	12·6
East Anglia	12·9	10·8
Greater London	15·4	16·1
Rest of South East	9·2	8·7
South West	12·5	10·7
West Midlands	18·7	16·6
North West	9·7	9·3
Wales	14·1	12·7
Scotland	7·4	7·8
Northern Ireland	18·7	21·4

[1] This measure is defined in a technical note at the end of this article.

Table C gives a measure of the difference between each region's economy and that of the United Kingdom. The measure is smallest for those regions with an industrial structure most similar to the nation as a whole. The regional pattern has not changed greatly between 1971 and 1976 although most regions have moved somewhat closer to the UK structure. Scotland, the North West and the rest of the South East have industrial structures most similar to that of the United Kingdom, and Northern Ireland, the West Midlands and Greater London are least typical.

The growth component

The growth component for a region measures the difference between its actual growth and the growth if each of its industries had experienced the UK rate of growth. In general the growth effect is larger than the structural effect. It is analysed by broad industry groups in Table B. The comments below on individual regions are derived largely from this analysis.

North

Between 1971 and 1975 GDP per head in the North region grew much more rapidly than in the UK as a whole, although the rate of increase slowed to about the UK average in 1976 (Table A). Most of the growth relative to the United Kingdom in the earlier period was in manufacturing, in particular in metal manufacturing and vehicles; the construction and other service industries also grew at a some-what faster rate in the North than the UK average. The increases in GDP per head in manufacturing may be due in part to the regional aids available for development. The slowing down of the North's economy in 1976 is also indicated by employment, which fell by 1 per cent between 1975 and 1976 in total and by 3½ per cent in manufacturing, in each case slightly greater than the UK percentage decline. The slower growth may have continued more recently in the North as the increase in the unemployment rate in the region between 1976 and July 1978 was much higher than the national average.

Yorkshire and Humberside

Yorkshire and Humberside experienced a growth in GDP per head above the national average rate between 1971 and 1976, mostly within manufacturing although mining and quarrying and the service industries also had slightly above average growth rates. Employment in manufacturing industries fell less between 1975 and 1976 in percentage terms than in the United Kingdom as a whole, although employment in metal manufacturing and textiles was sharply reduced. Between 1976 and 1977 total employment in Yorkshire and Humberside increased on provisional estimates at a slightly higher rate than the UK average; in July 1978 the region's unemployment rate was about the national average.

East Midlands

The percentage change in GDP per head between 1971 and 1976 in the East Midlands was just below that for the United Kingdom as a whole. Growth was below the UK average rate for most manufacturing industries and was particularly low in mechanical engineering which is an important industry in the region. This was partly offset by an above-average growth in agriculture and services. Between 1975 and 1976, the growth in GDP per head in the East Midlands was much lower than in the United Kingdom as a whole, although there was no corresponding decrease in employment and the unemployment rate in the region in 1976 remained below the UK average. On provisional estimates, the change in employment between 1976 and 1977 was similar to that in the United Kingdom as a whole.

East Anglia

East Anglian industries showed a low growth in GDP per head compared with the United Kingdom between 1971 and 1976. This low growth was most marked in the public services sector, although partly offset by above-average growth rates in some manufacturing industries and in transport and communication. However, between 1975 and 1976 the percentage growth in GDP per head was around the UK average and the percentage fall in employment was much less than in the United Kingdom. In absolute terms the growth in GDP in East Anglia between 1975 and 1976 was slightly above the national rate; this was accompanied by an increase in population in the region compared with a slight decrease nationally.

Greater London

Growth in GDP per head in Greater London between 1971 and 1976 was close to the UK average. This was composed of a positive structural effect due to the large service industry in the area and a negative growth component. The latter was made up of high growth compared with the United Kingdom in the service industries, more than outweighed by a comparatively low rate of growth (at current prices) in the production industries. The percentage increase in GDP per head between 1975 and 1976 was below the national average, consistent with employment which fell more rapidly in Greater London in this period than in any other region. The fall in employment was particularly sharp in manufacturing industry but there was a slight increase in employment in professional and other services.

Rest of South East

The rate of growth in GDP per head in the Rest of the South East was low compared with the United Kingdom over the period 1971 to 1976 despite a favourable industrial structure. Low growth was widely spread throughout industry and was most marked in services. The relative decline may have been reversed between 1975 and 1976 when the rate of increase in GDP per head was similar to the national average. This is consistent with employment which fell much less rapidly than in the United Kingdom as a whole over the period.

South West

The growth component for GDP per head in the South West between 1971 and 1976 was lower than in any other region. In common with the Rest of the South East this growth effect was widely spread across industry, although growth in engineering was above the national average. This low growth was only partly compensated by a positive structural component. The relative decline appears to have been halted between 1975 and 1976 when the percentage change in GDP per head was similar to that for the United Kingdom and the percentage fall in numbers employed was less than the national average. Between 1976 and 1977 the percentage increase in employment was similar to that of the United Kingdom, on provisional estimates, but since 1975 the region's unemployment rate has been above the national average.

West Midlands

The West Midlands had the lowest increase in GDP per head between 1971 and 1976 of any region. Both the structural and growth components of the change in GDP per head contributed to the region's slow growth. The effect was spread widely across industries and was most significant in manufacturing, in particular in metal manufacture, vehicles and chemicals. The region has a higher than average proportion of employment in manufacturing. The relatively slow growth in GDP per head in the West Midlands was particularly marked between 1975 and 1976, and this is consistent with the above average percentage fall in employment. The situation in more recent periods is not altogether clear. Employment in the region increased less rapidly than in the United Kingdom on provisional estimates, although the number of unemployed persons has changed little between 1976 and July 1978, despite a rise in the nation as a whole.

North West

Growth in most industries in the North West was above the national rate between 1971 and 1976, but this was partly offset by a negative structural effect due to the high proportion of manufacturing, including textiles, in the region. Above average growth occurred in services and in parts of manufacturing, although there was below average growth in construction, transport, and in metal manufacture. The percentage increase in GDP per head between 1975 and 1976 was slightly above the UK rate, although employment in the region fell at a faster rate.

Wales

The growth of GDP per head in Wales between 1971 and 1976 was faster than the UK rate, but this appears partly to be due to the structure of industry in the region, particularly the presence of a large mining industry. Growth was above the UK average in the chemicals industries and in services, but these were offset by below-average growths in mining and quarrying and in construction. However, between 1975 and 1976 the rate of increase of GDP per head was no more than the national average, and this decline may have continued into 1977 when the index of industrial production for Wales fell by nearly 1½ per cent compared with a slight increase over the same period in the UK index for all industries excluding exploration and extraction of oil and natural gas. Provisional estimates of employment in Wales for June 1978 also indicate a fall of 1 per cent from June 1976 compared with the little change in the United Kingdom, and the Welsh unemployment rate was about one-third above the national average in 1977.

Scotland

The growth of GDP per head in Scotland between 1971 and 1976 was well above the UK rate (by about 2 per cent per annum), spread throughout most industry groups, but particularly marked in construction and public services and in some parts of engineering. The increase in GDP per head in Scotland between 1975 and 1976 was also greater than for the United Kingdom as a whole, possibly reflecting in part the increased activity related to oil exploration and development.

The indications for the more recent period since 1976 are that the above-average growth in Scotland may not have been maintained. Industrial production rose by about ½ per cent between 1976 and 1977, rather less than the UK index excluding oil and natural gas. Provisional estimates of employment in June 1978 indicate a fall of ½ per cent from June 1976 compared with little change nationally, and the improvement in the unemployment rates in Scotland relative to the UK average was halted in the course of 1976.

Northern Ireland

The growth in GDP per head between 1971 and 1976 in Northern Ireland was greater than the UK average despite a negative contribution by the structure of industry in the region, with its heavy dependence on engineering, shipbuilding and textiles. The increase in GDP per head was particularly marked in services while the production industries grew at about the national rate. However, in 1976 employment in manufacturing in Northern Ireland declined by 5 per cent, a larger fall than in any other region. The unemployment rate in 1977 was nearly double that of the United Kingdom.

Personal incomes

Appendix Table 8 shows regional estimates of personal income and personal disposable income for the years 1973–6. The relative movements in personal income are similar to those for GDP since income from employment and self-employment together are a major component of both of these regional aggregates. Table D below shows indices of personal disposable income per head relative to the national average.

Personal disposable income per head as a percentage of the national average

TABLE D

	1973[1]	1974	1975	1976
North	89·7	90·5	93·3	94·1
Yorkshire and Humberside	93·0	94·9	93·8	95·3
East Midlands	97·9	96·7	96·5	94·7
East Anglia	95·7	94·4	94·2	94·2
South East	111·8	111·8	110·4	109·6
Greater London	119·1	118·6	120·0	119·2
Rest of South East	106·5	106·7	103·4	102·7
South West	98·4	98·7	95·8	96·6
West Midlands	100·2	99·7	101·1	98·8
North West	96·5	97·6	97·3	97·5
Wales	91·6	87·6	93·3	93·4
Scotland	93·0	93·9	95·7	97·9
Northern Ireland	78·8	78·5	80·5	84·0
United Kingdom	100·0	100·0	100·0	100·0

[1] Owing to the reorganisation of local government in April 1974 the 1973 figures for the North, Yorkshire and Humberside, East Midlands, South East, South West and North West are based on different boundaries from those for later years.

In 1976 residents of the Greater London area continued to have the highest personal disposable income per head – about 20 per cent above the national average. In the remainder of the South East region personal disposable incomes were 3 per cent above the UK average in 1976, compared with 6 per cent in 1973. The sharpest increase in personal disposable income relative to the United Kingdom between 1973 and 1976 was in Northern Ireland followed by Scotland and the North region; all of these regions also had above average increases in GDP per head. Northern Ireland, Wales and the North had above-average proportions of personal income derived from national insurance benefits, etc. throughout the period.

Consumers' expenditure

Appendix Table 7 gives consumers' expenditure in each region. The figures relate to expenditure by the residents of a region wherever that expenditure takes place. Total consumers' expenditure per head is about 15 per cent higher in the South East than in the United Kingdom as a whole – the only region to have an above-average expenditure; expenditure per head on food, drink and tobacco is about the national average, and expenditure on housing, fuel and light is 25 per cent above the national figure. In Scotland and the North, expenditure on food, drink and tobacco is above the national average largely due to higher spending on drink and tobacco. Expenditure on housing, etc. increased in Northern Ireland relative to the United Kingdom between 1973 and 1976 by 10 per cent, but still remains much below the national average. Scotland, Wales and the North region have lower expenditures per head on housing than the UK average, and in 1973 expenditure in Scotland on durable goods and vehicles was over 20 per cent below the UK average, although this shortfall had decreased to about 15 per cent by 1976. Expenditure per head in this category remains above average in East Anglia, the South East and the South West.

Gross domestic fixed capital formation

Two analyses of gross domestic fixed capital formation by region are shown in the Appendix tables. Table 9 gives figures of GDFCF by broad industry groups for most

industries, but due to a lack of suitable regional data fixed investment by the construction and distribution industries and by private services including shipping and insurance, banking and finance is not included. Table 10 shows fixed investment by general government (i.e. central government and local authorities) analysed into five broad service headings. The regional breakdown should be interpreted with care since the responsibilities of central and local government are not exactly equivalent in all regions.

The largest category shown in the industry table is fixed investment in dwellings. This accounted for approximately 25 per cent of allocated fixed investment nationally in 1976. Fixed investment in dwellings per head of population in 1976 was highest in Scotland and East Anglia, over 20 per cent above the national average in each case compared with 10 per cent above the national average in 1971 for Scotland and 40 per cent above for East Anglia. The high East Anglian figures probably reflect migration into the region in recent years. In 1976 fixed investment per head on dwellings was lowest in Yorkshire and Humberside and the North West regions.

The North region has increased its share of investment in manufacturing industry in the UK since 1971. In 1976 about 75 per cent of fixed investment in manufacturing industry in the region was in the coal and petroleum products, chemicals and metal manufacturing industries compared with about 40 per cent of manufacturing investment nationally. Yorkshire and Humberside and Wales also had above-average investment in this group of industries within manufacturing. The West Midlands and North West regions each had a smaller share of the UK investment in manufacturing in 1976 than in earlier years. In the West Midlands over half the investment in manufacturing was in the engineering group of industries. Investment in manufacturing in Northern Ireland in 1971–5 was mostly in the textiles industries but in 1976 most fixed investment was in the food, drink and tobacco industries.

Scotland had almost twice the national expenditure per head on investment in gas, electricity and water in 1976. This was largely due to the investment by the gas industry where almost one-third of the expenditure was in Scotland. Investment per head on transport and communication was also above average in Scotland but the South East region had a much higher investment per head in this category than any other region.

Fixed investment by the public health services forms a very small part of their total expenditure and does not show much regional variation, but investment per head in public education is much higher in Scotland and Northern Ireland than in the regions of England and Wales.

Total fixed investment per head by central government and local authorities is also much higher in Scotland than in other regions, but the figures for Scotland still include investment by the water industry which became public corporations in England and Wales in 1974. The Northern Ireland figures exclude public dwellings since housing in Northern Ireland is the responsibility of the Northern Ireland Housing Corporation. Within England and Wales, Yorkshire and Humberside, East Anglia and the North West regions have the lowest investment per head by central government and local authorities, and the South East and the North have the highest.

Changes since the June 1978 estimates

Apart from revisions to all estimates to bring them into line with the national totals in the 1978 Blue Book, major revisions to regional data have been incorporated for wages and salaries and for profits. Estimates of regional wages and salaries for 1975 and 1976 are now based on regional totals from the Department of Health and Social Security's 1 per cent samples of contributors to national insurance. The addresses of the sampled contributors have been post-coded and automatically allocated by region using a special directory constructed for the Department of the Environment. These sample estimates of wages and salaries for 1975 and 1976 are the first available on the post-1974 regional boundaries, and are therefore more reliable than the previous preliminary estimates for these years.

Regional profits for the years 1974 to 1976 have been revised due to the incorporation of results from the annual censuses of production for 1974 and 1975. The figures for 1976 are projections from this new base period. Regional breakdowns of social security benefits in 1975 have also been incorporated in the personal sector tables.

Technical note on the components of change method

Let P_i be the proportion of total net output in the region in 1971 which was contributed by industry i, and let G_i be the ratio of the net output of industry i in the region in 1976 to its net output in the region in 1971. $\overline{P}_i$ and $\overline{G}_i$ are the corresponding ratios for the United Kingdom. Then for each industry the growth component is defined as $100\ P_i\ (G_i - \overline{G}_i)$ and for all industries the growth component is $100 \Sigma P_i (G_i - \overline{G}_i)$. This represents the difference between the region's actual growth and the growth if each of its industries had experienced the UK rate of growth.

The structural component is defined as $100 \Sigma \overline{G}_i\ (P_i - \overline{P}_i)$. This represents the difference in growth between economies with the region's industry structure and the national industry structure, assuming national growth rates for each industry. The sum of the growth component and the structural component for each region is equal to the overall difference in growth between the region and the UK as a whole.

The measure of dissimilarity is defined as:
50Σ modulus $(P_i - \overline{P}_i)$ where P_i and $\overline{P}_i$ are defined as above. The theoretical maximum value of this measure is 100. The minimum is zero, which would denote complete similarity of structure.

In the tables in this article, the components of change and the measures of dissimilarity are calculated from data for industries at the Order level of the Standard Industrial Classification.

Central Statistical Office

APPENDIX

Gross domestic product at current factor cost

TABLE 1

	1969[3]	1970[3]	1971[3]	1972[3]	1973[3]	1974	1975	1976
£ million								
United Kingdom	39,890	43,794	48,857	55,289	63,301	72,517	91,952	108,187
North	*2,036*	*2,267*	*2,520*	*2,901*	*3,367*	3,735	4,864	5,707
Yorkshire and Humberside	*3,327*	*3,638*	*3,925*	*4,431*	*5,052*	6,016	7,516	8,913
East Midlands	*2,371*	*2,590*	*2,851*	*3,284*	*3,793*	4,610	5,935	6,857
East Anglia	1,143	1,274	1,403	1,574	1,860	2,113	2,729	3,235
South East	14,106	15,362	17,344	19,571	22,282	25,103	31,473	36,679
South West	2,488	2,729	3,134	3,589	4,118	5,079	6,339	7,468
West Midlands	3,888	4,290	4,632	5,164	5,874	6,700	8,489	9,782
North West	*4,700*	*5,137*	*5,714*	*6,494*	*7,376*	8,202	10,349	12,180
England	34,059	37,287	41,523	47,008	53,722	61,558	77,694	90,821
Wales	1,670	1,850	2,110	2,405	2,760	3,133	4,106	4,820
Scotland	3,401	3,756	4,236	4,748	5,527	6,379	8,237	9,763
Northern Ireland	785	882	1,019	1,096	1,292	1,509	1,918	2,316
United Kingdom *less* Continental Shelf	39,915	43,775	48,888	55,257	63,301	72,579	91,955	107,720
Continental Shelf[1]	−25	+19	−31	32	0	−62	−3	467
United Kingdom = 100								
United Kingdom	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
North	*5·1*	*5·2*	*5·2*	*5·2*	*5·3*	5·1	5·3	5·3
Yorkshire and Humberside	*8·3*	*8·3*	*8·0*	*8·0*	*8·0*	8·3	8·2	8·2
East Midlands	*5·9*	*5·9*	*5·8*	*5·9*	*6·0*	6·4	6·5	6·3
East Anglia	2·9	2·9	2·9	2·8	2·9	2·9	3·0	3·0
South East	35·4	35·1	35·5	35·4	35·2	34·6	34·2	33·9
South West	6·2	6·2	6·4	6·5	6·5	7·0	6·9	6·9
West Midlands	9·7	9·8	9·5	9·3	9·3	9·2	9·2	9·0
North West	*11·8*	*11·7*	*11·7*	*11·7*	*11·7*	11·3	11·3	11·3
England	85·4	85·1	85·0	85·0	84·9	84·9	84·5	83·9
Wales	4·2	4·2	4·3	4·3	4·4	4·3	4·5	4·5
Scotland	8·5	8·6	8·7	8·6	8·7	8·8	9·0	9·0
Northern Ireland	2·0	2·0	2·1	2·0	2·0	2·1	2·1	2·1
Continental Shelf	−0·1	0·0	−0·1	0·1	0·0	−0·1	−0·0	0·4
£ Per head[2]								
United Kingdom *less* Continental Shelf	722	790	879	990	1,132	1,298	1,645	1,928
North	*620*	*689*	*765*	*880*	*1,022*	1,193	1,555	1,827
Yorkshire and Humberside	*694*	*758*	*816*	*918*	*1,046*	1,230	1,538	1,826
East Midlands	*709*	*770*	*841*	*962*	*1,100*	1,239	1,590	1,834
East Anglia	695	766	832	920	1,069	1,194	1,521	1,783
South East	818	890	1,003	1,130	1,287	1,483	1,864	2,175
South West	666	724	827	936	1,062	1,207	1,498	1,754
West Midlands	767	842	904	1,002	1,138	1,296	1,643	1,897
North West	*699*	*763*	*847*	*962*	*1,092*	1,247	1,577	1,862
England	743	811	900	1,015	1,157	1,327	1,675	1,958
Wales	616	681	774	879	1,004	1,135	1,484	1,740
Scotland	653	720	812	911	1,060	1,223	1,582	1,876
Northern Ireland	519	579	663	709	836	976	1,248	1,506
Per head, United Kingdom *less* Continental Shelf = 100								
United Kingdom	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
North	*85·8*	*87·3*	*87·1*	*88·8*	*90·3*	91·9	94·5	94·8
Yorkshire and Humberside	*96·0*	*96·0*	*92·8*	*92·7*	*92·4*	94·8	93·5	94·7
East Midlands	*98·1*	*97·5*	*95·7*	*97·1*	*97·2*	95·5	96·6	95·1
East Anglia	96·2	97·0	94·6	92·9	94·5	92·0	92·5	92·5
South East	113·3	112·7	114·1	114·1	113·7	114·2	113·3	112·9
South West	92·3	91·7	94·0	94·5	93·9	93·0	91·1	91·0
West Midlands	106·3	106·6	102·9	101·2	100·5	99·8	99·9	98·4
North West	*96·8*	*96·6*	*96·3*	*97·1*	*96·5*	96·1	95·9	96·6
England	102·9	102·7	102·4	102·5	102·2	102·2	101·8	101·6
Wales	85·3	86·2	88·1	88·8	88·7	87·5	90·2	90·3
Scotland	90·4	91·2	92·4	92·0	93·7	94·2	96·2	97·3
Northern Ireland	71·8	73·3	75·4	71·6	73·8	75·2	75·9	78·1

[1] Gross domestic product for the Continental Shelf region does not include income from employment which is allocated according to the region of residence of the employee. Estimates of income from employment relating to activity in the Continental Shelf region are:

	1969	*1970*	*1971*	*1972*	*1973*	*1974*	*1975*	*1976*
£ million	1	1	1	2	2	2	3	3

[2] Estimates of gross domestic product per head cannot be calculated for the Continental Shelf region as there is no resident population in this region.

[3] The figures in italics refer to regions whose boundaries are defined in terms of local authorities in existence prior to the 1974 reorganisation in England and Wales.

Factor incomes in the gross domestic product

TABLE 2

	£ million					
	Income from employment	Income from self-employment	Gross trading profits and surpluses	*less* Stock appreciation	Rent[2]	Gross domestic product
1973[3]						
United Kingdom	43,564	6,800	11,134	2,994	4,797	63,301
North	*2,302*	*320*	*699*	*186*	*232*	*3,367*
Yorkshire and Humberside	*3,511*	*501*	*1,007*	*269*	*302*	*5,052*
East Midlands	*2,647*	*400*	*679*	*181*	*248*	*3,793*
East Anglia	1,138	350	330	109	151	1,860
South East	15,488	2,324	3,336	872	2,006	22,282
South West	2,718	592	660	187	335	4,118
West Midlands	4,222	507	1,016	279	408	5,874
North West	*5,095*	*643*	*1,510*	*371*	*499*	*7,376*
England	37,121	5,637	9,237	2,454	4,181	53,722
Wales	1,853	346	554	167	174	2,760
Scotland	3,738	632	1,078	287	366	5,527
Northern Ireland	852	185	265	86	76	1,292
Continental Shelf[1]	—	—	0	—	—	0
1974						
United Kingdom	52,783	7,677	12,214	6,205	6,048	72,517
North	2,690	333	805	366	273	3,735
Yorkshire and Humberside	4,427	592	1,161	547	383	6,016
East Midlands	3,405	509	748	388	336	4,610
East Anglia	1,387	387	359	217	197	2,113
South East	18,426	2,535	3,519	1,861	2,484	25,103
South West	3,578	700	731	372	442	5,079
West Midlands	5,061	580	1,176	639	522	6,700
North West	6,029	723	1,588	770	626	8,202
England	45,003	6,365	10,087	5,160	5,263	61,558
Wales	2,166	355	732	356	236	3,133
Scotland	4,544	740	1,172	537	460	6,379
Northern Ireland	1,070	217	285	152	89	1,509
Continental Shelf[1]	—	—	−62	—	—	−62
1975						
United Kingdom	68,289	8,818	13,032	5,520	7,333	91,952
North	3,616	411	857	350	330	4,864
Yorkshire and Humberside	5,645	714	1,173	489	473	7,516
East Midlands	4,399	585	885	368	434	5,935
East Anglia	1,845	446	412	209	235	2,729
South East	23,549	2,773	3,837	1,659	2,973	31,473
South West	4,517	798	820	342	546	6,339
West Midlands	6,576	671	1,169	561	634	8,489
North West	7,758	843	1,695	699	752	10,349
England	57,905	7,241	10,848	4,677	6,377	77,694
Wales	3,007	423	601	215	290	4,106
Scotland	5,988	889	1,305	498	553	8,237
Northern Ireland	1,389	265	281	130	113	1,918
Continental Shelf[1]	—	—	−3	—	—	−3
1976						
United Kingdom	78,233	10,481	17,160	6,625	8,938	108,187
North	4,162	488	1,076	404	385	5,707
Yorkshire and Humberside	6,533	843	1,549	585	573	8,913
East Midlands	4,953	698	1,137	447	516	6,857
East Anglia	2,143	537	519	252	288	3,235
South East	26,815	3,282	4,754	1,854	3,682	36,679
South West	5,247	930	1,034	426	683	7,468
West Midlands	7,367	786	1,526	663	766	9,782
North West	8,931	991	2,206	848	900	12,180
England	66,151	8,555	13,801	5,479	7,793	90,821
Wales	3,443	529	837	333	344	4,820
Scotland	6,968	1,075	1,701	654	673	9,763
Northern Ireland	1,671	322	354	159	128	2,316
Continental Shelf[1]	—	—	467	—	—	467

[1] See footnote [1] to Table 1 on page 84.
[2] Including imputed charges for consumption of non trading capital.
[3] See footnote [3] on Table 1 on page 84.

Gross domestic product and wages and salaries by industry groups

TABLE 3

	£ million							
	Gross domestic product[1]				Wages and salaries[2]			
	1973[6]	1974	1975	1976	1973[6]	1974	1975	1976
United Kingdom[3]								
Agriculture, forestry and fishing	1,957	1,964	2,541	3,020	571	671	815	921
Mining and quarrying[4]	818	952	1,535	2,221	607	848	1,113	1,180
Manufacturing	18,805	20,627	25,641	30,275	13,108	15,932	19,787	22,819
Construction	5,136	5,898	6,819	7,589	2,991	3,355	4,084	4,466
Gas, electricity and water	1,910	2,298	2,987	3,830	708	905	1,166	1,282
Transport and communications	5,452	6,294	8,102	9,686	3,239	3,722	4,985	5,476
Distributive trades	6,676	7,622	9,253	10,739	3,812	4,650	5,753	6,529
Insurance, banking, finance	5,152	5,744	6,612	8,470	2,098	2,514	3,069	3,775
Ownership of dwellings	3,569	4,603	5,593	6,908				
Professional, scientific services Miscellaneous services	12,031	14,361	19,198	21,666	8,258	9,984	13,608	15,255
Public administration, defence	4,374	5,438	7,323	8,488	3,764	4,649	6,176	7,086
Adjustment for financial services	−2,579	−3,284	−3,652	−4,705				
Total	63,301	72,517	91,952	108,187	39,156	47,230	60,556	68,789
North								
Agriculture, forestry and fishing	*134*	97	138	162	*36*	30	36	41
Mining and quarrying	*119*	139	207	234	*88*	116	149	155
Manufacturing	*1,105*	1,261	1,588	1,907	*755*	939	1,218	1,428
Construction	*316*	369	438	495	*221*	244	301	338
Gas, electricity and water	*102*	129	167	213	*39*	51	65	70
Transport and communications	*229*	257	344	412	*128*	144	201	221
Distributive trades	*328*	359	437	508	*173*	207	254	287
Insurance, banking, finance	*133*	146	173	218	*49*	57	74	86
Ownership of dwellings	*175*	209	250	290				
Professional, scientific services Miscellaneous services	*581*	641	911	1,038	*409*	450	661	752
Public administration, defence	*212*	216	310	359	*180*	175	249	284
Adjustment for financial services	*−67*	−88	−99	−129				
Total	*3,367*	3,735	4,864	5,707	*2,078*	2,413	3,208	3,662
Yorkshire and Humberside								
Agriculture, forestry and fishing	*173*	180	248	285	*59*	67	79	85
Mining and quarrying	*185*	246	361	424	*137*	207	262	287
Manufacturing	*1,719*	1,954	2,296	2,821	*1,223*	1,502	1,823	2,153
Construction	*403*	490	542	607	*244*	291	332	367
Gas, electricity and water	*180*	226	298	363	*67*	90	116	121
Transport and communications	*384*	460	571	702	*222*	270	343	392
Distributive trades	*525*	593	754	885	*288*	343	459	529
Insurance, banking, finance	*232*	278	318	423	*91*	118	142	182
Ownership of dwellings	*229*	293	359	436				
Professional, scientific services Miscellaneous services	*891*	1,105	1,469	1,682	*622*	782	1,042	1,188
Public administration, defence	*251*	358	490	535	*214*	305	409	440
Adjustment for financial services	*−120*	−167	−190	−250				
Total	*5,052*	6,016	7,516	8,913	*3,167*	3,975	5,007	5,744

[1] Gross domestic product is shown for each industry after deducting stock appreciation.
[2] Including HM Forces income.
[3] Due to rounding the United Kingdom industry totals may not be precisely equal to the sum of the regional figures shown.
[4] The UK figures for mining and quarrying include estimates of gross domestic product in the Continental Shelf region, see Table 1 on page 84.
[5] Estimates for Greater London and the Rest of the South East within the South East total are somewhat less reliable than those for standard regions.
[6] See footnote [3] to Table 1 on page 84.

Gross domestic product and wages and salaries by industry groups

TABLE 3 (*continued*)

	£ million							
	Gross domestic product[1]				Wages and salaries[2]			
	1973[6]	1974	1975	1976	1973[6]	1974	1975	1976
East Midlands								
Agriculture, forestry and fishing	*150*	194	232	279	*40*	60	72	84
Mining and quarrying	*168*	220	338	372	*127*	186	247	253
Manufacturing	*1,320*	1,522	1,927	2,239	*967*	1,221	1,517	1,721
Construction	*305*	361	406	461	*179*	207	235	263
Gas, electricity and water	*134*	160	213	267	*50*	64	84	92
Transport and communications	*237*	298	381	450	*137*	174	230	246
Distributive trades	*377*	447	559	642	*216*	270	343	380
Insurance, banking, finance	*171*	201	227	286	*68*	86	102	121
Ownership of dwellings	*195*	268	346	412				
Professional, scientific services Miscellaneous services	*627*	761	1,047	1,167	*442*	542	748	827
Public administration, defence	*195*	296	388	451	*168*	256	327	375
Adjustment for financial services	*–86*	–118	–129	–169				
Total	*3,793*	4,610	5,935	6,857	*2,394*	3,066	3,905	4,362
East Anglia								
Agriculture, forestry and fishing	196	198	251	298	57	66	82	92
Mining and quarrying	6	7	8	11	4	6	6	7
Manufacturing	457	488	656	796	291	361	486	574
Construction	179	207	235	252	85	104	124	128
Gas, electricity and water	53	62	82	103	19	23	29	32
Transport and communications	131	161	213	264	73	89	123	141
Distributive trades	186	219	274	318	99	126	166	187
Insurance, banking, finance	101	113	143	191	39	46	63	81
Ownership of dwellings	111	150	179	222				
Professional, scientific services Miscellaneous services	355	420	568	644	236	284	389	438
Public administration, defence	138	159	206	251	124	140	181	220
Adjustment for financial services	–53	–71	–86	–115				
Total	1,860	2,113	2,729	3,235	1,027	1,245	1,649	1,900
South East								
Agriculture, forestry and fishing	324	335	391	464	101	122	145	163
Mining and quarrying	31	32	49	58	23	26	35	39
Manufacturing	5,289	5,615	6,942	8,109	3,604	4,324	5,205	6,002
Construction	1,632	1,832	2,099	2,308	881	977	1,185	1,269
Gas, electricity and water	604	691	928	1,179	228	276	375	403
Transport and communications	2,400	2,720	3,551	4,217	1,473	1,659	2,252	2,456
Distributive trades	2,491	2,792	3,348	3,874	1,522	1,818	2,211	2,506
Insurance, banking, finance	3,031	3,338	3,778	4,800	1,276	1,526	1,804	2,206
Ownership of dwellings	1,470	1,874	2,283	2,889				
Professional, scientific services Miscellaneous services	4,679	5,515	7,272	8,035	3,154	3,784	5,127	5,595
Public administration, defence	1,823	2,196	2,866	3,335	1,571	1,888	2,445	2,820
Adjustment for financial services	–1,492	–1,837	–2,034	–2,589				
Total	22,282	25,103	31,473	36,679	13,833	16,400	20,784	23,459

See footnotes on page 86.

Gross domestic product and wages and salaries by industry groups

TABLE 3 (*continued*)

	£ million							
	Gross domestic product[1]				Wages and salaries[2]			
	1973[6]	1974	1975	1976	1973[6]	1974	1975	1976
Greater London[5]								
Agriculture, forestry and fishing, Mining and quarrying, Manufacturing	2,149	2,304	2,820	3,236	1,397	1,705	2,067	2,309
Construction	694	807	936	994	396	450	561	575
Gas, electricity and water	286	326	427	538	96	121	167	174
Transport and communications	1,327	1,505	1,991	2,347	761	860	1,207	1,286
Distributive trades	1,274	1,445	1,741	1,948	768	935	1,148	1,250
Insurance, banking, finance	2,019	2,196	2,445	3,072	725	877	1,041	1,247
Ownership of dwellings	725	893	1,087	1,409				
Professional, scientific services, Miscellaneous services	2,294	2,696	3,543	3,871	1,448	1,734	2,387	2,563
Public administration, defence	744	935	1,282	1,467	608	768	1,055	1,192
Adjustment for financial services	–1,149	–1,390	–1,514	–1,904				
Total	10,363	11,717	14,758	16,978	6,199	7,450	9,633	10,596
Rest of South East[5]								
Agriculture, forestry and fishing, Mining and quarrying, Manufacturing	3,495	3,678	4,562	5,395	2,331	2,767	3,318	3,895
Construction	938	1,025	1,163	1,314	485	527	624	694
Gas, electricity and water	318	365	501	641	132	155	208	229
Transport and communications	1,073	1,215	1,560	1,870	712	799	1,045	1,170
Distributive trades	1,217	1,347	1,607	1,926	754	883	1,063	1,256
Insurance, banking, finance	1,012	1,142	1,333	1,728	551	649	763	959
Ownership of dwellings	745	981	1,196	1,480				
Professional, scientific services, Miscellaneous services	2,385	2,819	3,729	4,164	1,706	2,050	2,740	3,032
Public administration, defence	1,079	1,261	1,584	1,868	963	1,120	1,390	1,628
Adjustment for financial services	–343	–447	–520	–685				
Total	11,919	13,386	16,715	19,701	7,634	8,950	11,151	12,863
South West								
Agriculture, forestry and fishing	225	227	303	346	64	80	98	112
Mining and quarrying	25	29	40	47	19	24	28	30
Manufacturing	986	1,152	1,432	1,719	688	913	1,119	1,326
Construction	395	466	512	566	204	236	274	296
Gas, electricity and water	145	193	270	335	53	76	103	115
Transport and communications	280	356	434	520	159	201	254	282
Distributive trades	452	579	671	770	249	349	410	458
Insurance, banking, finance	213	279	331	457	84	116	147	199
Ownership of dwellings	255	342	422	539				
Professional, scientific services, Miscellaneous services	810	1,073	1,405	1,588	546	735	977	1,098
Public administration, defence	439	550	713	844	396	493	630	740
Adjustment for financial services	–107	–167	–194	–263				
Total	4,118	5,079	6,339	7,468	2,462	3,223	4,040	4,656

See footnotes on page 86.

Gross domestic product and wages and salaries by industry groups

TABLE 3 (*continued*)

	£ million							
	Gross domestic product[1]				Wages and salaries[2]			
	1973[6]	1974	1975	1976	1973[6]	1974	1975	1976
West Midlands								
Agriculture, forestry and fishing	138	137	180	209	41	48	58	68
Mining and quarrying	60	76	119	133	45	64	87	90
Manufacturing	2,445	2,719	3,579	3,888	1,854	2,225	2,777	3,111
Construction	420	476	550	609	243	272	326	352
Gas, electricity and water	169	199	258	317	65	80	103	104
Transport and communications	353	406	520	619	206	235	314	342
Distributive trades	570	653	786	916	331	398	488	555
Insurance, banking, finance	299	326	390	500	122	135	180	218
Ownership of dwellings	323	425	514	624				
Professional, scientific services Miscellaneous services	949	1,130	1,545	1,710	662	802	1,119	1,225
Public administration, defence	295	350	487	542	249	295	403	443
Adjustment for financial services	–147	–197	–217	–285				
Total	5,874	6,700	8,489	9,782	3,818	4,554	5,855	6,508
North West								
Agriculture, forestry and fishing	*92*	88	127	151	*27*	29	37	44
Mining and quarrying	41	46	65	77	*31*	39	47	53
Manufacturing	*2,712*	2,803	3,579	4,248	*1,863*	2,176	2,763	3,180
Construction	*565*	640	709	762	*337*	376	438	459
Gas, electricity and water	*203*	252	308	414	*77*	99	119	133
Transport and communications	*678*	753	923	1,120	*405*	446	567	634
Distributive trades	*801*	922	1,121	1,286	*444*	550	679	759
Insurance, banking, finance	*469*	501	574	738	*189*	213	266	325
Ownership of dwellings	395	504	598	718				
Professional, scientific services Miscellaneous services	*1,328*	1,561	2,064	2,375	*923*	1,098	1,470	1,690
Public administration, defence	*339*	441	613	721	*279*	362	496	576
Adjustment for financial services	*–247*	*–309*	–332	–430				
Total	*7,376*	8,202	10,349	12,180	*4,575*	5,388	6,882	7,853
England								
Agriculture, forestry and fishing	1,432	1,456	1,870	2,194	426	502	607	689
Mining and quarrying	635	795	1,187	1,356	473	667	861	915
Manufacturing	16,033	17,514	21,777	25,727	11,245	13,659	16,908	19,495
Construction	4,215	4,841	5,491	6,060	2,392	2,706	3,216	3,472
Gas, electricity and water	1,590	1,912	2,524	3,191	597	759	994	1,070
Transport and communications	4,692	5,411	6,937	8,304	2,803	3,219	4,285	4,713
Distributive trades	5,730	6,564	7,950	9,199	3,324	4,062	5,009	5,662
Insurance, banking, finance	4,649	5,182	5,934	7,613	1,919	2,296	2,778	3,418
Ownership of dwellings	3,153	4,065	4,951	6,130				
Professional, scientific services Miscellaneous	10,220	12,206	16,281	18,239	6,995	8,478	11,533	12,812
Public administration, defence	3,692	4,566	6,073	7,038	3,180	3,916	5,139	5,898
Adjustment for financial services	–2,319	–2,954	–3,281	–4,230				
Total	53,722	61,558	77,694	90,821	33,354	40,264	51,330	58,144

See footnotes on page 86.

Gross domestic product and wages and salaries by industry groups

TABLE 3 (*continued*)

	£ million							
	Gross domestic product[1]				Wages and salaries[2]			
	1973[e]	1974	1975	1976	1973[e]	1974	1975	1976
Wales								
Agriculture, forestry and fishing	138	120	167	215	39	47	57	63
Mining and quarrying	100	116	185	203	74	96	133	135
Manufacturing	810	933	1,121	1,343	556	659	863	1,007
Construction	267	283	329	375	158	161	204	229
Gas, electricity and water	105	129	174	216	40	49	67	75
Transport and communications	212	247	342	378	122	141	210	207
Distributive trades	252	274	349	418	129	149	198	234
Insurance, banking, finance	110	121	142	190	37	45	58	79
Ownership of dwellings	122	173	213	253				
Professional, scientific services Miscellaneous services	517	590	836	954	358	409	601	682
Public administration, defence	184	221	329	382	156	184	271	312
Adjustment for financial services	–57	–74	–81	–107				
Total	2,760	3,133	4,106	4,820	1,669	1,940	2,662	3,023
Scotland								
Agriculture, forestry and fishing	288	290	386	467	82	93	116	129
Mining and quarrying	76	97	155	179	56	81	111	120
Manufacturing	1,571	1,752	2,226	2,577	1,065	1,317	1,653	1,883
Construction	525	642	812	914	359	417	551	617
Gas, electricity and water	185	214	247	368	57	71	82	106
Transport and communications	472	547	708	870	272	312	420	478
Distributive trades	564	635	767	900	294	359	443	511
Insurance, banking, finance	316	346	422	545	118	143	193	238
Ownership of dwellings	260	325	379	466				
Professional, scientific services Miscellaneous services	1,083	1,285	1,722	2,031	760	901	1,226	1,451
Public administration, defence	355	452	649	754	302	374	532	611
Adjustment for financial services	–168	–206	–236	–308				
Total	5,527	6,379	8,237	9,763	3,365	4,068	5,327	6,144
Northern Ireland								
Agriculture, forestry and fishing	98	95	118	145	24	29	35	40
Mining and quarrying	6	6	11	15	4	4	8	10
Manufacturing	389	429	517	630	242	297	363	434
Construction	130	133	188	240	82	71	113	148
Gas, electricity and water	30	43	41	55	14	26	23	31
Transport and communications	76	89	115	133	42	50	70	78
Distributive trades	131	150	187	224	65	80	103	122
Insurance, banking, finance	77	94	113	122	24	30	40	40
Ownership of dwellings	36	40	50	58				
Professional, scientific services Miscellaneous services	211	280	358	441	145	196	248	310
Public administration, defence	143	200	274	313	126	175	234	265
Adjustment for financial services	–35	–50	–54	–60				
Total	1,292	1,509	1,918	2,316	768	958	1,237	1,478

See footnotes on page 86.

Wages and salaries in manufacturing industries

TABLE 4

	£ million						
	All manufacturing[1]	Food, drink and tobacco	Coal, petroleum and chemical products	Metal manufacture	Mechanical engineering	Instrument and electrical engineering	Shipbuilding, marine engineering and vehicles
1973[2]							
United Kingdom	13,108	1,260	861	964	1,656	1,499	2,001
North	*755*	*56*	*104*	*88*	*114*	*88*	*100*
Yorkshire and Humberside	*1,223*	*118*	*65*	*181*	*163*	*52*	*96*
East Midlands	*967*	*81*	*42*	*80*	*151*	*68*	*103*
East Anglia	291	58	15	4	45	32	38
South East	3,604	328	250	74	438	635	535
South West	688	102	24	11	93	81	152
West Midlands	1,854	103	37	237	219	178	465
North West	*1,863*	*191*	*217*	*47*	*208*	*187*	*276*
England	11,245	1,037	755	721	1,431	1,322	1,764
Wales	556	30	38	162	46	53	55
Scotland	1,065	150	63	80	161	102	152
Northern Ireland	242	43	5	1	18	22	30
1974							
United Kingdom	15,932	1,528	1,159	1,185	2,038	1,874	2,298
North	939	61	140	111	135	106	130
Yorkshire and Humberside	1,502	150	97	218	197	65	118
East Midlands	1,221	110	64	97	193	91	126
East Anglia	361	75	21	5	53	44	45
South East	4,324	378	338	90	523	786	587
South West	913	130	37	16	128	123	188
West Midlands	2,225	128	51	303	280	203	512
North West	2,176	222	274	55	250	222	305
England	13,659	1,255	1,023	895	1,759	1,639	2,012
Wales	659	33	53	189	51	66	62
Scotland	1,317	188	77	100	205	142	184
Northern Ireland	297	52	6	1	23	27	40
1975							
United Kingdom	19,787	1,901	1,422	1,511	2,633	2,313	2,973
North	1,218	79	171	153	196	127	176
Yorkshire and Humberside	1,823	184	114	284	244	80	153
East Midlands	1,517	131	81	131	235	112	170
East Anglia	486	100	26	6	77	54	73
South East	5,205	466	417	98	650	961	748
South West	1,119	158	49	19	164	139	249
West Midlands	2,777	151	66	366	353	269	627
North West	2,763	288	331	61	330	290	409
England	16,908	1,555	1,253	1,119	2,249	2,031	2,605
Wales	863	48	72	258	72	85	74
Scotland	1,653	234	89	133	283	163	239
Northern Ireland	363	64	8	1	29	34	55
1976							
United Kingdom	22,819	2,251	1,643	1,717	2,893	2,771	3,410
North	1,428	87	211	178	220	157	214
Yorkshire and Humberside	2,153	232	127	343	276	93	179
East Midlands	1,721	154	88	146	250	136	186
East Anglia	574	121	32	7	84	66	82
South East	6,002	550	468	102	712	1,156	887
South West	1,326	185	55	22	188	169	290
West Midlands	3,111	184	69	404	367	321	679
North West	3,180	326	393	68	360	339	484
England	19,495	1,839	1,444	1,270	2,459	2,437	3,000
Wales	1,007	57	78	301	90	102	88
Scotland	1,883	271	111	145	312	199	253
Northern Ireland	434	84	10	1	32	33	69

[1] Due to rounding, the totals may not be precisely the sum of the component industries shown in the table.

[2] See footnote 3 to Table 1 on page 84.

Wages and salaries in manufacturing industries

TABLE 4 (*continued*)

	£ million						
	Metal goods n.e.s.	Textiles	Leather goods and clothing	Bricks, pottery and glass, etc.	Timber, furniture, etc.	Paper, printing and publishing	Other manufacturing industries
1973[2]							
United Kingdom	847	907	529	497	462	1,086	539
North	*23*	*38*	*39*	*26*	*22*	*35*	25
Yorkshire and Humberside	*111*	*196*	*54*	*56*	*46*	*61*	*25*
East Midlands	*44*	*163*	*81*	*41*	*32*	*50*	*31*
East Anglia	8	4	13	12	14	31	16
South East	206	39	121	115	172	526	166
South West	24	21	33	15	28	68	36
West Midlands	266	47	26	100	31	52	92
North West	*77*	217	*86*	*74*	*58*	*147*	*77*
England	759	725	452	439	403	970	469
Wales	35	33	18	18	16	22	30
Scotland	46	94	38	33	35	84	26
Northern Ireland	7	55	21	7	8	10	14
1974							
United Kingdom	1,075	978	624	606	557	1,352	658
North	30	49	45	30	22	50	30
Yorkshire and Humberside	143	210	64	70	56	76	36
East Midlands	61	182	97	54	37	65	43
East Anglia	11	4	17	12	17	38	20
South East	251	40	145	127	214	649	195
South West	38	22	37	26	36	90	42
West Midlands	333	47	31	123	36	65	111
North West	98	224	94	90	71	179	92
England	966	777	529	534	490	1,212	569
Wales	41	34	23	23	18	26	39
Scotland	59	100	47	39	40	102	35
Northern Ireland	9	67	25	10	9	12	15
1975							
United Kingdom	1,289	1,161	760	730	676	1,597	821
North	35	58	56	40	29	65	34
Yorkshire and Humberside	176	235	80	83	62	85	44
East Midlands	72	223	119	59	47	86	52
East Anglia	15	6	20	13	22	51	23
South East	294	50	163	145	250	737	225
South West	42	28	47	26	44	100	55
West Midlands	408	59	37	173	46	79	144
North West	117	267	125	105	90	218	132
England	1,159	925	647	642	591	1,420	709
Wales	52	40	28	27	22	34	52
Scotland	70	114	56	52	52	128	41
Northern Ireland	8	82	29	9	11	15	19
1976							
United Kingdom	1,528	1,335	867	861	742	1,836	965
North	44	58	67	44	33	72	42
Yorkshire and Humberside	208	282	92	100	68	99	54
East Midlands	88	259	136	78	52	83	63
East Anglia	20	7	22	19	26	58	30
South East	343	54	179	165	264	856	266
South West	52	34	63	33	48	123	64
West Midlands	474	68	40	200	52	88	166
North West	145	304	140	120	102	256	143
England	1,374	1,064	740	758	646	1,635	828
Wales	62	46	31	30	25	38	60
Scotland	83	136	65	61	58	143	46
Northern Ireland	9	89	31	12	13	20	31

See footnotes on page 91.

Taxes on expenditure and subsidies: production method [1]

TABLE 5

	£ million							
	Taxes				Subsidies			
	1973[2]	1974	1975	1976	1973[2]	1974	1975	1976
United Kingdom	10,122	11,470	14,162	16,549	1,442	2,996	3,740	3,472
North	*427*	465	606	688	*124*	204	261	256
Yorkshire and Humberside	*578*	636	890	979	*128*	250	293	253
East Midlands	*465*	707	837	943	*105*	218	217	193
East Anglia	189	236	314	355	52	127	184	136
South East	3,333	3,843	4,816	5,581	337	832	1,002	964
South West	593	717	905	1,068	76	193	262	198
West Midlands	580	731	948	1,060	91	200	238	215
North West	*1,382*	998	1,355	1,516	*147*	285	345	351
England	7,547	8,333	10,671	12,190	1,060	2,309	2,802	2,566
Wales	487	840	694	952	85	159	210	196
Scotland	1,241	1,337	1,628	2,003	251	436	595	593
Northern Ireland	399	409	606	669	46	92	133	117
Continental Shelf	15	18	23	76	—	—	—	—
Unallocated (Taxes on imports)	433	533	540	659	—	—	—	—

[1] Taxes and subsidies allocated according to region of location of industry to which they relate. Taxes on imports are not allocable to production industries and are therefore omitted from this regional breakdown.
[2] See footnote [3] to Table 1 on page 84.

Taxes on expenditure and subsidies: consumption method [1]

TABLE 6

	£ million							
	Taxes				Subsidies			
	1973[2]	1974	1975	1976	1973[2]	1974	1975	1976
United Kingdom	10,122	11,470	14,162	16,549	1,442	2,996	3,740	3,472
North	*546*	609	721	858	*101*	195	255	250
Yorkshire and Humberside	*765*	893	1,089	1,299	*77*	190	253	210
East Midlands	*583*	710	880	1,019	*57*	140	171	149
East Anglia	312	350	418	491	34	79	83	67
South East	3,533	3,889	4,953	5,745	431	996	1,225	1,109
South West	680	802	996	1,187	70	161	184	148
West Midlands	906	1,058	1,284	1,461	85	216	271	233
North West	*1,160*	1,286	1,540	1,800	*161*	326	410	381
England	8,485	9,597	11,881	13,860	1,016	2,303	2,852	2,547
Wales	465	525	648	757	87	156	180	168
Scotland	967	1,100	1,330	1,583	265	426	534	554
Northern Ireland	205	248	303	349	74	111	174	203

[1] Taxes and subsidies allocated according to region of final expenditure to which they may be regarded as applying.
[2] See footnote [3] to Table 1 on page 84.

Consumers' expenditure at current prices

TABLE 7

	£ million				
	Food, drink and tobacco	Housing and fuel	Durables and vehicles	Other	Total
1973[1]					
United Kingdom	13,717	8,026	7,806	15,638	45,187
North	*837*	*396*	*391*	*781*	*2,405*
Yorkshire and Humberside	*1,172*	*555*	*579*	*1,204*	*3,510*
East Midlands	*844*	*482*	*480*	*909*	*2,715*
East Anglia	387	239	277	472	1,375
South East	4,293	3,100	2,759	5,886	16,038
South West	884	573	610	950	3,017
West Midlands	1,270	720	728	1,270	3,988
North West	*1,678*	*901*	*875*	*1,770*	*5,224*
England	11,365	6,966	6,699	13,242	38,272
Wales	675	322	345	666	2,008
Scotland	1,338	604	570	1,397	3,909
Northern Ireland	339	134	192	333	998
1974					
United Kingdom	15,795	9,683	8,458	17,927	51,863
North	929	462	421	878	2,690
Yorkshire and Humberside	1,365	670	646	1,395	4,076
East Midlands	1,029	617	572	1,061	3,279
East Anglia	442	308	302	543	1,595
South East	4,873	3,664	2,904	6,583	18,024
South West	1,057	730	657	1,155	3,599
West Midlands	1,499	880	810	1,508	4,697
North West	1,884	1,071	922	1,980	5,857
England	13,078	8,402	7,234	15,103	43,817
Wales	778	374	369	774	2,295
Scotland	1,552	748	644	1,647	4,591
Northern Ireland	387	159	211	403	1,160
1975					
United Kingdom	19,428	12,130	10,336	21,298	63,192
North	1,109	570	516	1,038	3,233
Yorkshire and Humberside	1,681	896	838	1,676	5,091
East Midlands	1,309	781	724	1,268	4,082
East Anglia	552	384	354	640	1,930
South East	5,983	4,537	3,501	7,761	21,782
South West	1,339	958	839	1,458	4,594
West Midlands	1,825	1,077	970	1,773	5,645
North West	2,272	1,326	1,084	2,300	6,982
England	16,070	10,529	8,826	17,914	53,339
Wales	968	475	461	947	2,851
Scotland	1,911	923	801	1,914	5,549
Northern Ireland	479	203	248	523	1,453
1976					
United Kingdom	22,700	14,739	12,054	24,045	73,538
North	1,308	682	617	1,173	3,780
Yorkshire and Humberside	1,963	1,103	986	1,941	5,993
East Midlands	1,515	938	809	1,398	4,660
East Anglia	659	472	403	709	2,243
South East	6,961	5,518	4,062	8,763	25,304
South West	1,604	1,185	1,020	1,673	5,482
West Midlands	2,090	1,282	1,091	1,962	6,425
North West	2,648	1,616	1,227	2,588	8,079
England	18,748	12,796	10,215	20,207	61,966
Wales	1,144	576	578	1,083	3,381
Scotland	2,237	1,079	964	2,157	6,437
Northern Ireland	571	288	297	598	1,754

[1] See footnote [3] to Table 1 on page 84.

Personal income and personal disposable income

TABLE 8

	£ million						
	Income from employment	Income from self employment	Rents, dividends, and net interest	National insurance benefits, etc[1]	Total personal income	*less* Taxes, etc.	Personal disposable income
1973[2]							
United Kingdom	43,564	6,800	6,198	6,558	63,120	11,817	51,303
North	*2,302*	*320*	*279*	*407*	*3,308*	*597*	*2,711*
Yorkshire and Humberside	*3,511*	*501*	*423*	*593*	*5,028*	*905*	*4,123*
East Midlands	*2,647*	*400*	*344*	*371*	*3,762*	*667*	*3,095*
East Anglia	1,138	350	191	191	1,870	344	1,526
South East	15,488	2,324	2,505	1,940	22,257	4,502	17,755
South West	2,718	592	506	454	4,270	771	3,499
West Midlands	4,222	507	534	549	5,812	1,069	4,743
North West	*5,095*	*643*	*673*	*843*	*7,254*	*1,276*	*5,978*
England	37,121	5,637	5,455	5,348	53,561	10,131	43,430
Wales	1,853	346	221	362	2,782	472	2,310
Scotland	3,738	632	435	651	5,456	1,011	4,445
Northern Ireland	852	185	87	197	1,321	203	1,118
1974							
United Kingdom	52,783	7,677	7,663	8,042	76,165	15,551	60,614
North	2,690	333	309	481	3,813	743	3,070
Yorkshire and Humberside	4,427	592	543	727	6,289	1,260	5,029
East Midlands	3,405	509	440	482	4,836	939	3,897
East Anglia	1,387	387	267	239	2,280	467	1,813
South East	18,426	2,535	3,024	2,355	26,340	5,829	20,511
South West	3,578	700	672	608	5,558	1,058	4,500
West Midlands	5,061	580	677	671	6,989	1,401	5,588
North West	6,029	729	811	1,020	8,589	1,632	6,957
England	45,003	6,365	6,743	6,583	64,694	13,329	51,365
Wales	2,166	355	288	439	3,248	628	2,620
Scotland	4,544	740	525	797	6,606	1,294	5,312
Northern Ireland	1,070	217	107	223	1,617	300	1,317
1975							
United Kingdom	68,289	8,818	8,868	10,482	96,457	22,096	74,361
North	3,616	411	365	623	5,015	1,134	3,881
Yorkshire and Humberside	5,645	714	634	952	7,945	1,849	6,096
East Midlands	4,399	585	543	641	6,168	1,378	4,790
East Anglia	1,845	446	308	308	2,907	659	2,248
South East	23,549	2,773	3,459	3,056	32,837	8,032	24,805
South West	4,517	798	768	811	6,894	1,500	5,394
West Midlands	6,576	671	776	888	8,911	1,964	6,947
North West	7,758	843	937	1,324	10,862	2,371	8,491
England	57,905	7,241	7,790	8,603	81,539	18,887	62,652
Wales	3,007	423	351	570	4,351	917	3,434
Scotland	5,988	889	594	1,029	8,500	1,871	6,629
Northern Ireland	1,389	265	133	280	2,067	421	1,646
1976							
United Kingdom	78,233	10,481	10,499	13,003	112,216	26,061	86,155
North	4,162	488	429	777	5,856	1,322	4,534
Yorkshire and Humberside	6,533	843	773	1,185	9,334	2,161	7,173
East Midlands	4,953	698	642	786	7,079	1,621	5,458
East Anglia	2,143	537	365	380	3,425	788	2,637
South East	26,815	3,282	4,104	3,785	37,986	9,504	28,482
South West	5,247	930	935	1,002	8,114	1,773	6,341
West Midlands	7,367	786	918	1,102	10,173	2,317	7,856
North West	8,931	991	1,097	1,640	12,659	2,824	9,835
England	66,151	8,555	9,263	10,657	94,626	22,310	72,316
Wales	3,443	529	408	711	5,091	1,102	3,989
Scotland	6,968	1,075	682	1,284	10,009	2,150	7,859
Northern Ireland	1,671	322	146	351	2,490	499	1,991

[1] Includes national insurance benefits and other current grants from general government *plus* imputed charge for capital consumption of private non-profit-making bodies.

[2] See footnote [3] on Table 1 on page 84.

Gross domestic fixed capital formation by industry groups at current prices

TABLE 9

	£ million					
	1971[3]	1972[3]	1973[3]	1974	1975	1976
United Kingdom						
Agriculture, forestry and fishing	303	372	469	587	620	710
Mining and quarrying[1]	167	217	288	739	1,822	2,480
Manufacturing	2,187	2,044	2,347	3,067	3,522	3,958
Gas, electricity and water	789	729	771	952	1,242	1,400
Transport and communications	991	1,033	1,271	1,408	1,726	1,936
Dwellings	1,898	2,254	2,648	3,183	4,163	4,695
Public education services	331	372	461	465	513	573
Public health and social services	213	252	338	352	434	488
Other public services	1,022	1,120	1,442	1,449	1,654	1,824
Transfer costs of land and buildings	323	453	565	495	625	700
Total[2]	8,224	8,846	10,600	12,697	16,321	18,764
North						
Agriculture, forestry and fishing	*24*	*29*	*36*	34	34	41
Mining and quarrying	*10*	*10*	*17*	63	108	90
Manufacturing	*206*	*178*	*191*	305	452	491
Gas, electricity and water	*70*	*73*	*53*	64	91	96
Transport and communications	*35*	*37*	*52*	52	66	75
Dwellings	*107*	*153*	*197*	171	211	238
Public education services	*19*	*21*	*26*	26	25	28
Public health and social services	*12*	*16*	*21*	18	22	31
Other public services	*66*	*52*	*69*	74	102	111
Transfer costs of land and buildings	*23*	*31*	*38*	34	49	52
Total[2]	*572*	*600*	*700*	841	1,160	1,253
Yorkshire and Humberside						
Agriculture, forestry and fishing	*34*	*38*	*48*	60	63	71
Mining and quarrying	*19*	*18*	*20*	26	45	82
Manufacturing	*297*	*259*	*248*	350	437	466
Gas, electricity and water	*75*	*59*	*61*	57	54	62
Transport and communications	*50*	*56*	*71*	80	101	117
Dwellings	*119*	*152*	*199*	230	266	330
Public education services	*25*	*27*	*37*	38	47	51
Public health and social services	*15*	*18*	*25*	30	43	48
Other public services	*72*	*68*	*94*	85	92	115
Transfer costs of land and buildings	*29*	*38*	*46*	41	50	59
Total[2]	*735*	*733*	*849*	997	1,198	1,401
East Midlands						
Agriculture, forestry and fishing	*22*	*27*	*34*	48	49	59
Mining and quarrying	*19*	*21*	*22*	28	45	57
Manufacturing	*116*	*122*	*145*	187	198	279
Gas, electricity and water	*34*	*31*	33	34	33	34
Transport and communications	*46*	*49*	*65*	71	91	101
Dwellings	*113*	*147*	*181*	220	297	329
Public education services	*20*	*23*	*28*	28	31	38
Public health and social services	*16*	*20*	*28*	25	32	38
Other public services	*44*	*47*	*71*	69	81	77
Transfer costs of land and buildings	*18*	*27*	*35*	30	38	44
Total[2]	*448*	*514*	*642*	740	895	1,056
East Anglia						
Agriculture, forestry and fishing	27	33	42	52	56	63
Mining and quarrying	1	1	2	5	4	3
Manufacturing	48	47	61	79	82	86
Gas, electricity and water	18	16	15	21	31	36
Transport and communications	30	32	39	44	47	46
Dwellings	79	104	118	151	171	186
Public education services	10	14	14	12	12	15
Public health and social services	7	9	12	12	14	15
Other public services	27	40	50	34	36	43
Transfer costs of land and buildings	10	16	20	17	20	21
Total[2]	257	312	373	427	473	514

[1] The UK figures for mining and quarrying include estimates of gross domestic fixed capital formation in the Continental Shelf region.
[2] The totals are of all industries shown, and exclude fixed investment by distribution, shipping and private service industries.
[3] See footnote [3] to Table 1 on page 84.

Gross domestic fixed capital formation by industry groups at current prices

TABLE 9 (*continued*)

	£ million					
	1971[3]	1972[3]	1973[3]	1974	1975	1976
South East						
Agriculture, forestry and fishing	46	53	65	75	76	81
Mining and quarrying	7	7	6	7	8	12
Manufacturing	441	412	524	653	659	798
Gas, electricity and water	210	183	204	280	373	466
Transport and communications	451	452	551	616	738	825
Dwellings	646	734	832	1,031	1,478	1,607
Public education services	106	121	153	150	162	168
Public health and social services	72	84	116	115	134	140
Other public services	320	389	499	568	566	621
Transfer costs of land and buildings	94	133	169	148	184	206
Total[2]	2,393	2,568	3,119	3,643	4,378	4,924
South West						
Agriculture, forestry and fishing	35	45	59	76	75	75
Mining and quarrying	9	9	11	15	13	19
Manufacturing	75	99	116	160	146	155
Gas, electricity and water	64	42	61	57	61	86
Transport and communications	55	56	78	84	104	111
Dwellings	165	205	238	254	316	347
Public education services	21	26	33	31	31	33
Public health and social services	16	19	25	25	27	33
Other public services	98	103	129	122	151	157
Transfer costs of land and buildings	22	33	43	35	41	44
Total[2]	560	637	793	859	965	1,060
West Midlands						
Agriculture, forestry and fishing	21	29	37	51	52	55
Mining and quarrying	8	8	8	19	28	38
Manufacturing	224	200	249	355	374	411
Gas, electricity and water	42	29	30	39	57	74
Transport and communications	70	72	94	103	126	139
Dwellings	137	159	185	232	326	374
Public education services	29	30	40	38	42	44
Public health and social services	17	21	24	31	36	35
Other public services	78	82	104	101	131	135
Transfer costs of land and buildings	26	35	44	41	52	57
Total[2]	652	665	815	1,010	1,224	1,362
North West						
Agriculture, forestry and fishing	*12*	*14*	*17*	22	25	25
Mining and quarrying	*6*	*6*	*7*	4	4	11
Manufacturing	*340*	*303*	*330*	403	411	498
Gas, electricity and water	*99*	*122*	*148*	163	144	135
Transport and communications	*113*	*121*	*128*	140	164	186
Dwellings	*200*	*229*	*270*	304	362	400
Public education services	*38*	*39*	*47*	48	55	58
Public health and social services	*26*	*26*	*35*	37	49	59
Other public services	*123*	*111*	*151*	121	136	174
Transfer costs of land and buildings	*39*	*53*	*65*	53	59	67
Total[2]	*996*	*1,024*	*1,198*	1,295	1,409	1,613
England						
Agriculture, forestry and fishing	221	268	338	418	430	470
Mining and quarrying	79	80	93	167	255	312
Manufacturing	1,747	1,620	1,864	2,492	2,759	3,184
Gas, electricity and water	612	555	605	715	844	989
Transport and communications	850	875	1,078	1,190	1,437	1,600
Dwellings	1,566	1,883	2,220	2,593	3,427	3,811
Public education services	268	301	378	371	405	435
Public health and social services	181	213	286	293	357	399
Other public services	828	892	1,167	1,174	1,295	1,433
Transfer costs of land and buildings	261	366	460	399	493	550
Total[2]	6,613	7,053	8,489	9,812	11,702	13,183

See footnotes on page 96.

Gross domestic fixed capital formation by industry groups at current prices

TABLE 9 (*continued*)

	£ million					
	1971[3]	1972[3]	1973[3]	1974	1975	1976
Wales						
Agriculture, forestry and fishing	20	26	35	47	48	61
Mining and quarrying	10	9	9	12	19	28
Manufacturing	201	191	173	180	245	327
Gas, electricity and water	41	36	30	35	59	87
Transport and communications	38	39	53	58	77	83
Dwellings	74	102	123	157	187	215
Public education services	17	21	26	23	26	27
Public health and social services	9	10	15	17	24	23
Other public services	67	73	85	73	110	128
Transfer costs of land and buildings	20	28	31	25	35	43
Total[2]	497	535	580	627	830	1,022
Scotland						
Agriculture, forestry and fishing	41	51	63	75	91	120
Mining and quarrying	8	12	26	49	78	123
Manufacturing	179	182	237	309	425	368
Gas, electricity and water	112	112	113	173	281	258
Transport and communications	81	93	109	127	169	206
Dwellings	195	205	240	368	456	542
Public education services	36	41	46	55	58	87
Public health and social services	20	25	33	35	43	51
Other public services	97	123	152	151	184	185
Transfer costs of land and buildings	32	46	58	57	78	85
To tal[2]	801	890	1,077	1,399	1,863	2,025
Northern Ireland						
Agriculture, forestry and fishing	21	27	33	47	51	59
Mining and quarrying	2	2	2	3	3	4
Manufacturing	60	51	73	86	93	79
Gas, electricity and water	24	26	23	29	58	66
Transport and communications	22	26	31	33	43	47
Dwellings	63	64	65	65	93	127
Public education and services	10	9	11	16	24	24
Public health and social services	3	4	4	7	10	15
Other public services	30	32	38	51	65	78
Transfer costs of land and buildings	10	13	16	14	19	22
Total[2]	245	254	296	351	459	521

See footnotes on page 96.

Gross domestic fixed capital formation by general government at current prices[1]

TABLE 10

	£ million					
	1971[5]	1972[5]	1973[5]	1974	1975	1976
United Kingdom						
General administration and defence	253	249	332	475	528	606
Education	354	424	532	525	555	603
Health and social services	219	262	359	381	448	520
Housing and community development[2]	979	1,024	1,481	2,073	2,383	2,569
Economic services[3]	757	773	957	922	1,060	1,108
Total	2,562	2,732	3,661	4,376	4,974	5,406
North						
General administration and defence	*11*	*10*	*15*	20	18	19
Education	*21*	*24*	*30*	29	27	30
Health and social services	*14*	*18*	*24*	22	25	35
Housing and community development[2]	*66*	*81*	*111*	122	144	155
Economic services[3]	*52*	*47*	*65*	60	79	74
Total	*164*	*180*	*245*	253	293	313
Yorkshire and Humberside						
General administration and defence	*14*	*13*	*17*	30	29	35
Education	*27*	*31*	*43*	43	52	54
Health and social services	*16*	*19*	*26*	32	43	50
Housing and community development[2]	*65*	*63*	*100*	133	134	180
Economic services[3]	*54*	*55*	*81*	65	72	73
Total	*176*	*181*	*267*	303	330	392
East Midlands						
General administration and defence	*12*	*11*	*14*	23	21	24
Education	*21*	*27*	*32*	32	34	40
Health and social services	*16*	*20*	*29*	27	33	39
Housing and community development[2]	*47*	*54*	*85*	121	153	171
Economic services[3]	*28*	*29*	*50*	37	44	40
Total	*124*	*141*	*210*	240	285	314
East Anglia						
General administration and defence	8	5	6	10	13	15
Education	11	16	16	14	13	16
Health and social services	6	9	13	12	14	15
Housing and community development[2]	26	30	43	54	56	60
Economic services[3]	16	31	43	30	30	27
Total	67	91	121	120	126	133
South East						
General administration and defence	98	95	128	179	212	248
Education	114	138	177	170	176	178
Health and social services	73	87	122	122	136	148
Housing and community development[2]	348	386	549	854	941	1,028
Economic services[3]	205	219	253	256	293	308
Total	838	925	1,229	1,581	1,758	1,910

[1] Includes fixed investment in public authority trading bodies.
[2] Includes other environmental and recreational services.
[3] Includes employment, agriculture, trade and industry, road building and water supply.
[4] The Northern Ireland Housing Executive assumed responsibility for housing in later years, and investment by public corporations is not included in this table.
[5] See footnote [3] to Table 1 on page 84.

Gross domestic fixed capital formation by general government at current prices[1]

TABLE 10 (*continued*)

	£ million					
	1971[5]	1972[5]	1973[5]	1974	1975	1976
South West						
General administration and defence	26	28	33	44	52	55
Education	22	30	38	35	34	35
Health and social services	16	19	26	26	27	34
Housing and community development[2]	56	55	80	95	112	129
Economic services[3]	73	69	94	90	109	111
Total	193	201	271	290	334	364
West Midlands						
General administration and defence	12	11	16	26	31	36
Education	31	34	46	43	45	46
Health and social services	18	21	26	33	36	37
Housing and community development[2]	72	72	101	130	193	214
Economic services[3]	56	53	73	78	87	88
Total	189	191	262	310	392	421
North West						
General administration and defence	*27*	*25*	*35*	50	44	52
Education	*41*	*44*	*54*	55	60	61
Health and social services	*27*	*28*	*37*	41	50	63
Housing and community development[2]	*111*	*103*	*167*	220	227	231
Economic services[3]	*102*	*89*	*111*	84	86	97
Total	*308*	*289*	*404*	450	467	504
England						
General administration and defence	208	198	264	382	420	484
Education	288	344	436	421	441	460
Health and social services	186	221	303	315	364	421
Housing and community development[2]	791	844	1,236	1,729	1,960	2,168
Economic services[3]	586	592	770	700	800	818
Total	2,059	2,199	3,009	3,547	3,985	4,351
Wales						
General administration and defence	11	10	13	23	24	27
Education	19	24	31	26	29	29
Health and social services	9	11	16	18	24	25
Housing and community development[2]	39	43	63	86	105	122
Economic services[3]	60	63	69	61	86	95
Total	138	151	192	214	268	298
Scotland						
General administration and defence	23	29	37	42	47	52
Education	38	47	54	62	64	92
Health and social services	20	25	34	36	44	53
Housing and community development[2]	129	128	179	258	318	279
Economic services[3]	84	91	91	130	137	153
Total	294	320	395	528	610	629
Northern Ireland						
General administration and defence	11	12	18	28	37	43
Education	9	9	11	16	21	22
Health and social services	4	5	6	12	16	21
Housing and community development[2,4]	20	9	3	—	—	—
Economic services[3]	27	27	27	31	37	42
Total	71	62	65	87	111	128

See footnotes on page 99.

The distribution of personal wealth

A. L. DUNN and P. D. R. B. HOFFMAN, Board of Inland Revenue

This article provides new estimates of the distribution of personal wealth within the most wealthy 50 per cent of the adult population and between the most wealthy 50 per cent and the least wealthy 50 per cent, taken as groups. The estimates are consistent with the estimates of the total of personal wealth published in the January 1978 issue of *Economic Trends*[1]. They are for the years 1971, 1974, 1975 and 1976.

Introduction and background

The national accounts have for many years included estimates of the aggregate income of the personal sector arising from economic activity, or from the ownership of assets. More recently, estimates have been included showing how most of the total of personal income is distributed by ranges, or by percentages of the total population ranked according to the size of their income. It has long been recognised, however, that command over economic resources depends not only on income but also on wealth, and the question of the distribution of personal wealth is one which has attracted an increasing amount of interest in recent years.

There has been growing recognition, therefore, of the importance of estimates of the stock and distribution of assets, as distinct from the flow of income and its distribution. Estimates of the distribution of holdings of wealth, showing changes in the distribution from one period to another, do not of themselves provide an analysis of the manifold factors accounting for the changes but they can be used as benchmarks or reference points for analyses of the factors. These include the way in which income, consumption and saving are distributed and taxed; the distributional effects of changes in the values of some assets relative to changes in the values of other assets; the effect of taxation of capital; and structural influences such as the lifetime cycle of an individual's production, accumulation and consumption.

Estimates of the stock of financial assets and liabilities were introduced in the 1959 report of the Radcliffe Committee[2] and have been progressively developed since then in official statistics, though for a long while the estimates of stocks, as opposed to those of transactions, were incomplete. Estimates of the stock of tangible assets began to be developed rather earlier[3] and for many years have been included annually in the Blue Book *National Income and Expenditure*. Annual estimates of the value of overseas assets held by UK residents and of UK liabilities to overseas residents have been included for many years in the Bank of England's *Quarterly Bulletin* and in the annual Pink Book *United Kingdom Balance of Payments*. The pioneering work of drawing these sources together, along with supplementary estimates, into estimates of the value of all the assets and liabilities held in the British economy and by each of the economic sectors into which it is divided, was done by Professor Revell and published in 1967[4]. Estimates of this kind are now called national and sector balance sheets.

Within this overall framework the estimates which relate to the personal sector's total assets and liabilities have recently been officially updated and extended[1]. The sources from which they are obtained are somewhat similar to the figures of the flow of funds, that is, those of the creation of tangible assets or financial liabilities or of transactions in financial assets. The estimates relating to the personal sector's total wealth are at present largely derived from counterpart information from the other sectors (e.g. loans for house purchase). The sources and methods used are described in more detail in an article published in Studies in Official Statistics No. 35[5].

Previous estimates of the distribution of wealth

In the case of income, a large part of the estimates (both in aggregate and distributed by ranges) can be derived from the Inland Revenue's annual review of the incomes of nearly all persons and of companies. This is because most direct taxes depend on the level of personal or corporate income, and all incomes other than extremely small incomes and certain non-taxable social security benefits are reviewed for this purpose. There is at present no parallel review of all wealth in the course of administering the taxes, since capital taxes in the United Kingdom relate not to holdings of wealth but to most disposals or transfers of assets.

However, following a recommendation in the Radcliffe Committee's report, the Inland Revenue started producing estimates of the total and distribution of personal wealth of kinds which would require probate in the event of the owner's death. This was possible because estate duty (ED) (now replaced by capital transfer tax (CTT)) depended on a review of the total wealth of deceased persons, and to this end the personal representatives are obliged to report details of assets held and their value, in order to obtain probate (or letters of adminstration where there is an intestacy). By analysing the figures of estates by age, sex and country it was possible to treat the dying as representative of the living and to 'gross up' the age–sex–country specific figures by the reciprocal of the probability of death for a person in these age, sex and country groups. This method, which derived from earlier academic studies, e.g. Stamp[6] and Campion[7], is now commonly known as the 'estate multiplier method' and the grossing factors are known as 'reciprocal mortality multipliers'. The results have been published annually by the Inland Revenue since 1962 and now appear in the annual publication *Inland Revenue Statistics*.

There are a number of difficulties with this method, which were summarised by the Royal Commission on the Distribution of Income and Wealth (RCDIW)[8] in the initial Report on its standing reference. The most important are sampling error, particularly for the younger age groups and the largest estates; and the fact that, even though probate is usually required if assets are owned, it is in fact obtained for only about half of all deaths in a year. (For incomes, the corresponding proportion of the numbers excluded from the basic Inland Revenue data is some 17 per

cent.) In addition wealth in non-dutiable trusts (discretionary trusts and surviving spouse settlements) is not covered and, in cases where ED/CTT is not involved, certain joint property passing by title on death is missed by the estate multiplier method. However, the method does produce estimates which can be analysed in detail according to the type of asset and according to the size of the total wealth of individuals. The unit of observation is the individual, unlike the incomes figures in which married couples are treated as one.

The new estimates

The availability in the Inland Revenue figures of an analysis by type of asset has facilitated a detailed comparison between these figures and the alternative estimates of the aggregates of the assets (*less* liabilities) owned by individuals, as initially developed by Professor Revell[4] and continued by the Central Statistical Office (CSO)[1]. This kind of comparison was first undertaken by the RCDIW[9] and was greatly extended and refined as the Inland Revenue's contribution to the CSO's estimates. The article in *Economic Trends* for January 1978 included a reconciliation, for each main type of asset, between the CSO's estimates of total personal wealth and the totals of the Inland Revenue series. A further article by Inland Revenue in Studies in Official Statistics No. 35[12] gives a fuller explanation of the differences, which relate to factors such as timing, coverage and valuation. (A table summarising these differences was given in the first article, as Table 2, and amplified in the second, as Table 1, and is now further amplified in Table 2 on page 105.)

The present article goes a stage further and where possible allocates the differences to ranges of net wealth, thus providing estimates, consistent with the new estimates of total wealth, of the wealth held by the top 1, 2, 5, 10, 20, 25 and 50 per cent of the adult population aged 18 and over. These estimates are shown in Table 1. They relate to marketable wealth, generally at current market values, and correspond to those called 'Series C' by the RCDIW[10]. Explanations of these terms are given below.

Commentary on the figures

Between 1971 and 1974 there were considerable changes in the overall distribution of wealth, with the share of the wealthiest 1 per cent of the adult population falling by 8 per cent of total personal wealth to 22 per cent; the share of the wealthiest 10 per cent falling about 8 per cent to 57 per cent; and the share of the poorest 50 per cent rising from nearly 3 per cent of total personal wealth to over 7 per cent. These changes were due very largely to three factors: first, the rapid and continuous rise in prices of residential property; secondly, the fall in share prices during the latter part of the period; and thirdly, the trend to increased saving out of disposable incomes in the period, apparently (from observation of changes in the composition of assets) by many of those in the lower wealth ranges. Other factors operating over a longer period—increased owner-occupation of housing and the increasing tendency for property to be jointly owned by married couples—will have affected the overall distribution of wealth in similar ways. Finally the effects of taxes on capital need to be taken into account: for example the introduction of Capital Gains Tax in 1965 will have reduced the size of those estates which made realised taxable gains.

Between 1974 and 1976 company share prices recovered and the percentage share of total personal wealth of the wealthiest 1 per cent of the adult population (including many with substantial investments in company shares) increased slightly, and this was also reflected in the increases for the top 10 per cent. On the other hand, the share of the bottom 50 per cent fell somewhat, to 5½ per cent of total personal wealth.

The new figures for 1971 and 1975 shown in columns 1 and 3 of Table 1 give broadly the same picture of the overall distribution of wealth as the estimates published previously by Atkinson and Harrison[13] and by the RCDIW[14], which used somewhat different methods of calculation. These are shown in columns 6 and 7 respectively. As explained later in this article the Inland Revenue figures incorporate certain timing adjustments drawing on sources of data only recently available, and the effect of these adjustments is to show more reliably relative changes in the current values of wealthholdings in the various ranges of wealth from year to year. These adjustments explain much of the difference between the Inland Revenue and RCDIW series in the estimate of the change between 1974 and 1975 in the shares of the top 1 per cent and of the top 10 per cent.

Methodology and definition of terms

A detailed description of the coverage of the Inland Revenue statistics and of the concepts of valuation, etc. is given in the article in Studies in Official Statistics No. 35 referred to above[12]. The technical note that follows this article describes how the differences between the basic Inland Revenue statistics and the corresponding totals in the personal sector balance sheet were allocated to ranges of net wealth. This description is illustrated with comprehensive figures for 1975 and certain figures for other years. The persons and the wealth covered by the basic figures are referred to, in the technical note, as the 'identified population' and 'identified wealth'. The remainder of the population and of personal wealth are called the 'excluded population' and 'excluded wealth'.

The RCDIW[10] adopted the following nomenclature for estimates of the distribution of personal wealth on five different bases:

Series A Estimates covering only the 'identified population' and 'identified wealth'.

Series B The result of extending the Series A estimates to cover the total adult population (i.e. all persons aged 18 and over), using the extreme assumption that the 'excluded' half of the population has no wealth.

Series C The result of adjusting Series B to the totals of marketable wealth derived from the balance sheet estimates, as described above (see section below on the definition of marketable wealth).

Series D As Series C, but including the estimated value of occupational pension rights.

Series E As Series D, *plus* the estimated value of state pension rights.

Series C distribution of wealth among the adult population (aged 18 and over)[1]

TABLE 1

	Percentages of wealth owned						
	Inland Revenue estimates				RCDIW estimates[2]		Atkinson's estimates (central estimates)[3]
	1971	1974	1975	1976[4]	1974	1975	1971
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Top 1 per cent ..	30·5	22·5	23·5	24·9	25·0	24·3	28·8
Top 2 per cent ..	38·7	29·6	30·5	32·5			
Top 5 per cent ..	51·8	43·1	43·8	46·2	47·4	46·1	53·0
Top 10 per cent ..	65·1	57·5	58·0	60·6	61·5	60·0	68·3
Top 20 per cent ..	81·2	76·3	76·2	77·6	78·1	76·2	84·8
Top 25 per cent ..	86·5	83·6	83·3	84·0			
Top 50 per cent ..	97·2	92·9	93·3	94·4			
Bottom 50 per cent ..	2·8	7·1	6·7	5·6			

[1] The estimates relate to the United Kingdom except for those by Atkinson which are for Great Britain.
[2] RCDIW Report No. 5, Table 39
[3] A B Atkinson and A J Harrison 'Distribution of personal wealth in Britain' Table 6.5, page 159.
[4] Provisional estimates.

The estimates published hitherto in *Inland Revenue Statistics* and *Social Trends* have been on bases A and B only, though the Royal Commission have published their own estimates on bases C, D and E. The new Series C estimates described in this article supersede those published by the Royal Commission, who will use them as the starting point for future estimates on bases D and E.

Definition of wealth

The estimates of the distribution of personal wealth provided in this article follow the same definition of wealth as that used by the RCDIW for their *Series C*, estimates. This is all wealth that can be considered as marketable. In common with the balance sheet totals recently published by the Central Statistical Office[1], from which they are derived, the estimates of total wealth and its distribution therefore exclude:

a state pension rights;

b the value of restricted assets (e.g. controlled and subsidised tenancies, membership of professions or trade unions with restricted entry);

c the value of 'human capital' (e.g. the value to an individual of his education and training);

d the wealth of the public sector, which confers benefits on the personal sector through its communal facilities;

e the excess of the company sector's net worth over the market value of the equity.

Unlike the balance sheet totals, the estimates:

i also exclude the value of rights in funded pension schemes and that part of the equity in life assurance funds which represents assets held in pension schemes managed by life assurance companies; these assets are not marketable by individual members of pension funds in the same way as other assets and are excluded for this reason.

ii relate to average values in the course of a year. The balance sheet totals are on an end-year basis.

iii exclude the unidentified residual in the reconciliation between Inland Revenue estimates and balance sheet totals (for 1975 3½ per cent of the total), whereas the RCDIW allocate the full difference.

Total personal wealth on this definition was £244 billion in 1975, derived as follows:

	£ billion
Net wealth of individuals in the personal sector balance sheet; end–1975	284
less Unidentified discrepancy	– 10½
less Adjustment from year-average to end-year values	– 9½
less Value of rights in self-administered occupational pension schemes	– 14
less Value of rights in schemes funded with life assurance companies	– 7
	244

In the above table the totals and adjustments do not quite agree because of rounding.

All the items deducted, with the exception of the last, were included in the reconciliation table which appeared last January, although the end-year adjustment was not shown separately. The value of pension rights in schemes funded with life assurance companies has been estimated by the Government Actuary's Department. Subtracting this from the balance sheet estimate of £18 billion for the total of equity held in life assurance companies, it implies £11 billion as the end-year value of individual policies and annuities. In concept, there is an area of doubt in any allocation of the total of the personal sector's equity interest in life funds between the 'non-marketable' and 'marketable' parts.

This concept of wealth includes the value of trust funds held for the benefit of individuals, even though these are not marketable in the sense that the capital value could be realised for cash by the beneficiary, even when he is the designated beneficiary. It would not be practicable in any event to exclude all trust funds, as in many cases the beneficiary's interest is liable to estate duty or capital transfer tax and is therefore included (often indistinguishably) in the statistics. On the other hand certain trusts—surviving spouse settlements and discretionary trusts—are not covered by the estimates of identified wealth derived from estate duty or capital transfer tax, but estimates of their value have been included in the wealth estimates in this article (as they are in the Royal Commission's Series C).

Where an individual has a designated interest in a trust, he has been credited with a due proportion of the trust's capital funds, even though he cannot himself realise the capital (although he may be able to sell his right to receive the income). As for discretionary trusts, it could be argued that since the benefits of discretionary trusts are allocated by trustees at their discretion, they cannot be allocated at all to particular individuals. However, while these benefits are certainly not 'owned' by any one individual, they are received by individuals and it would seem inappropriate to exclude them when other trusts are included. Finally, estimates of the distribution of wealth which did not take account of such trusts' funds could not be considered as providing an adequate picture of the inequality of distribution of wealth. There are of course special difficulties in the attribution of these benefits to individuals, which are discussed below. It should also be noted that the estimates of the aggregate values of surviving spouse settlements, accumulation and maintenance trusts and of other discretionary trusts are precarious, being based on fragmentary information described below.

The estimates of the distribution of wealth published in *Inland Revenue Statistics* and *Social Trends* have hitherto related to the population aged 15 or more, whilst the estimates by the RCDIW have related to those aged 18 or more. For consistency it has been decided to adopt the RCDIW coverage in this article and in the official statistics in future.

Future developments

It is planned to publish estimates early next year of the distribution of marketable wealth in 1975 analysed by age group. These will incorporate the results of research now being undertaken by the Government Actuary's Department into methods of estimating the relationship appropriate to each age group between the value of the policyholder's equity interest in the life funds held on his behalf (appropriate to estimates of the distribution of wealth) and the maturity value of the policy (as included in the basic Inland Revenue data). Later it is hoped to provide approximate estimates for 1966 of the distribution of wealth, on the same basis as the estimates for 1971 and later years in the present article.

TECHNICAL NOTE

This note considers the effects of the various adjustments to identified wealth and of the addition of excluded wealth-owners and their wealth on estimates of the distribution of wealth. It also considers the effect of the adjustments on the Gini coefficient, which is a measure of concentration, and is often used for appraising the degree of inequality in the distribution of income or wealth. It varies between 0 per cent for complete equality and 100 per cent for maximum inequality. A description of the methods used to calculate it is given in the Appendix.

This note is divided into the following sections:

a reconciliation tables for 1971 and 1975;

b adjustments for the identified population and identified wealth:
- *i* adjustments for time-lags,
- *ii* improvement of wealth multipliers,
- *iii* adjustments for quality of basic data,
- *iv* adjustment of the valuation and coverage of life assurance policies,
- *v* changes in the basis of valuation of consumer durables,
- *vi* the combined effect of these adjustments.

c allocation of excluded wealth and of the excluded population:
- *i* the categories excluded,
- *ii* surviving spouse settlements,
- *iii* discretionary trusts,
- *iv* excluded joint property and excluded small estates.

d the overall effect of the adjustments;

e comparisons between Inland Revenue Series B and Series C.

a Reconciliation tables for 1971 and 1975

The Inland Revenue's article in Studies in Official Statistics No. 35[12] provides a further subdivision of the reconciliation table for 1975 in *Economic Trends*, January 1978[1]. Some further elaboration is provided in Table 2 of this article as a starting point for allocating the various adjustments to ranges of net wealth, whilst Table 3 gives comparable figures for 1971. The additional detail consists of subdivisions of row viii and columns 5B and 6 of the previous table.

As with earlier versions of the reconciliation table the changes in the valuation of consumer durables and of life insurance policies for which figures are shown in column 5c of Table 2 apply not only to identified wealth in previous columns but also to the excluded wealth in subsequent columns, and in sections *b* and *c* of this article they have been subdivided accordingly.

Reconciliation of estate multiplier and balance sheet estimates for 1975

TABLE 2

£ billion

	Identified wealth of individuals	Differences between Columns 1 and 9 explained by:												
		Limitations of present estate multiplier method								Excluded wealth				
		Pattern of assessments	Projection to end year	Marital status bias	Multiplier smoothing bias	Quality of basic data	Conceptual differences in coverage	Other differences in coverage	Differences in method of valuation	Excluded joint property	Excluded small estates	Excluded trusts	Unexplained residual[1]	Balance sheet total household wealth[1 2]
	1	2a	2b	3a	3b	4	5a	5b	5c	6a	6b	7	8	9
i Dwellings	82	3½	2½	5	− ½	8	—	—	—	15	—	1	8½	125
ii Other buildings, trade assets' and land	14	2	−1	− ½	—	—	—	—	—	—	—	2	9½	26
iii Consumer durables	7	—	1	—	—	—	—	—	27	1	1	—	—	37
iv *a* National savings	8	—	—	—	—	½	—	—	—	½	1	—	1	11
b Buildings society shares	14	—	2	1	− ½	1	—	—	—	1	1½	½	2½	23
c Cash, bank deposits and other liquid assets	13	—	1	1½	− ½	½	—	—	—	—	2	½	5	23
v Government and municipal securities	3	—	—	—	—	—	—	—	—	—	—	1	2	6
vi Listed company shares	14	− ½	2½	—	—	—	—	—	—	—	—	4	—	20
vii Unlisted shares	4	2	—	—	—	—	—	—	—	—	—	1	—	7
viii Life policies														
a Other than group	29	—	1	1	½	—	—	11	−37½	2	3	1	—	11
b Group life assurance and pension schemes	—	—	—	—	—	—	7	—	—	—	—	—	—	7
ix Pension rights	—	—	—	—	—	—	14	—	—	—	—	—	—	14
x Other assets	22	½	1½	−1	1½	—	—	—	—	—	—	—	−12½	12
Total assets	210	7½	10½	7	½	10	21	11	−10½	19½	8½	11	16	322
xi Mortgages	12	—	1	1½	½	—	—	—	—	7	—	—	2	24
xii Other liabilities	8	1	—	½	—	—	—	—	—	1	—	—	2½	13
Total liabilities	20	− 1	1	2	½	—	—	—	—	8	—	—	4½	37
Net wealth	190	6½	9½	5	—	10	21	11	−10½	11½	8½	11	10½	284

[1] Due to rounding errors the entries for net wealth in columns 8 and 9 do not correspond to total assets *less* total liabilities.
[2] Total personal sector excluding non-profit-making bodies.

Reconciliation of estate multiplier and balance sheet estimates for 1971

TABLE 3

£ billion

	Identified wealth of individuals	Differences between Columns 1 and 9 explained by: Limitations of present estate multiplier method: Pattern of assessments	Projection to end year	Marital status bias	Multiplier smoothing bias	Quality of basic data	Conceptual differences in coverage	Other differences in coverage	Differences in method of valuation	Excluded wealth: Excluded joint property	Excluded small estates	Excluded trusts	Unexplained residual	Balance sheet total household wealth[1]
	1	2a	2b	3a	3b	4	5a	5b	5c	6a	6b	7	8	9
i Dwellings	36	−1	4	2	—	3	—	—	—	8	—	1	6	59
ii Other buildings' trade assets, and land	7	—	—	—	—	—	—	—	—	—	—	1	5	13
iii Consumer durables	4	—	—	—	—	—	—	—	13½	—	½	—	—	18
iv *a* National savings	6	—	—	—	—	½	—	—	—	½	½	—	1½	9
b Building society shares	9	—	−1	—	—	1	—	—	—	—	½	—	½	12
c Cash, bank deposits and other liquid assets	9	−1	—	1	—	½	—	—	—	½	1	1	2	14
v Government and municipal securities	3	—	—	—	—	—	—	—	—	—	—	1	—	4
vi Listed company shares	19	−1	4	—	—	—	—	—	—	—	—	4	3	29
vii Unlisted shares	3	—	—	—	—	—	—	—	—	—	—	1	1	5
viii Life policies *a* Other than group	18	−1	2	1	—	—	—	10	−24	1	1	1	—	9
b Group life assurance and pension schemes	—	—	—	—	—	—	5	—	—	—	—	—	—	5
ix Pension rights	—	—	—	—	—	—	10	—	—	—	—	—	—	10
x Other assets	13	−1	—	—	—	—	—	—	—	—	—	—	−3	9
Total assets	127	−5	11	4	—	5	15	10	−10½	10	3½	10	16	196
xi Mortgages	6	−1	1	1	—	—	—	—	—	3	—	—	3	13
xii Other liabilities	5	−1	—	—	—	—	—	—	—	—	—	—	4	8
Total liabilities	11	−2	1	1	—	—	—	—	—	3	—	—	7	21
Net wealth	116	−3	10	3	—	5	15	10	−10½	7	3½	10	9	175

[1] Total personal sector excluding non-profit-making bodies.

b Adjustments for the identified population and identified wealth

i *Adjustments for time-lags*

As explained in the article in Studies in Official Statistics No. 35[12], the estimates of identified personal wealth published by Inland Revenue for a given year are based on estate duty (ED) data for the corresponding financial year. In fact, because of time-lags in assessment these estimates are based on deaths in a combination of years. Taking the net wealth in estates of all sizes, the average time-lag between death and assessment of capital to ED or CTT is 5 months instead of the 3 months implied by substituting calendar for financial years, so that its effect upon the estimates of wealth and its distribution might appear to be small. But for certain types of assets the time-lags are longer, and this had to be taken into account in the adjustments made in arriving at the estimates of total wealth described in the previous article; in addition the time-lags for the biggest estates are considerably longer than those for smaller estates so that price changes can affect the relative importance of different sizes of estates, and hence affect the distribution of wealth. Table 4 illustrates these points and demonstrates further that there are two independent factors; for a given size of estate the time-lags vary between types of asset, and for a given asset type they vary between size of estate. In other words, longer time-lags for bigger estates cannot be explained simply by their holding a higher proportion of assets which take longer to assess, nor can variations between the time-lags for different assets be explained by some assets being concentrated in big estates which take longer to assess. Nevertheless, it is true that the biggest estates have a higher proportion of those assets for which time-lags are longer, and this can explain part of the difference.

For example, valuations relating to deaths in 1974/75 constituted 92 per cent of all valuations of national saving certificates and premium bonds for all estates assessed in that year, but only 72 per cent for estates over £100,000. Similarly, valuations relating to deaths in 1974/75 constituted 42 per cent of all valuations of net capital value for estates over £100,000, but the corresponding figure for unlisted ordinary shares was only 13 per cent.

The adjustment of wealth estimates for time-lags, for which figures are shown in column 2a of Tables 2 and 3, headed 'Pattern of assessments', can be made either by adjusting the conventional data using special analyses of time-lags or directly by the provision of separate estimates by year of death from a 'standing file' held on the computer. The former involves errors of estimation, the latter will be truncated for the most recent years, and heavily so for the biggest estates and for certain types of assets. The best solution is to use both methods in combination and this has been done for the estimates provided in this article.

Valuations relating to deaths in 1974/75 as a percentage of all valuations recorded in 1974/75 estate duty accounting year

TABLE 4

Percentage

	Range of net wealth (£ thousand) 0–5	5–15	15–50	50–100	100 and over	Total
Assets						
National savings certificates and premium bonds	92·1	90·8	97·8	79·7	72·1	92·0
UK savings bonds	97·9	91·4	99·3	80·2	56·9	91·2
UK government securities	87·7	87·8	97·8	87·2	67·8	84·7
Municipal and other government securities	76·9	84·8	100·3	89·0	55·9	85·9
UK unlisted ordinary shares	92·8	100·0	57·1	30·8	13·4	30·0
UK unlisted preference shares	100·0	100·0	71·3	66·0	35·4	66·5
Listed investment trusts	99·2	82·2	97·6	86·2	65·3	79·6
UK listed ordinary shares	76·3	86·5	95·8	88.3	65·3	82·1
UK listed preference shares	98·1	93·7	97·2	91·4	67·3	89·3
Overseas shares	57·7	77·6	95·5	88·0	71·8	78·8
Unit trusts	77·2	85·9	96·8	88·2	69·8	87·5
Money on mortgage bonds, etc.	54·2	88·1	94·5	80·9	59·8	85·2
Building society shares and deposits	91·2	90·9	98·9	86·0	74·8	93·1
National and trustee savings banks	94·2	91·3	98·1	83·0	73·5	93·4
Bank deposit and drawing accounts	93·9	85·4	99·0	89·4	84·2	92·3
Trade assets and shares of partnership	82·9	82·6	49·6	23·4	16·5	40·7
Cash in the house	85·5	89·1	93·8	72·0	85·8	87·6
Cash gifts	97·2	89·5	75·0	45·9	27·6	59·9
Household goods	90·8	92·2	95·2	76·8	59·5	84·3
Insurance policies	90·1	90·2	90·2	75·7	51·8	84·9
Other personalty	87·6	93·5	75·5	62·6	44·0	76·2
Gross personalty	91·4	90·3	93·6	79·4	59·5	84·6
Gross realty	86·3	89·5	62·1	23·0	15·1	65·2
Liabilities						
Deductions against personalty	87·5	89·7	81·0	67·4	57·6	75·8
Deduction against realty	90·6	91·4	72·7	19·4	13·6	78·3
Net personalty	91·8	90·4	94·2	80·2	59·7	85·2
Net realty	85·9	89·5	61·8	23·0	15·1	64·9
Net capital value	90·5	89·8	79·8	60·4	42·4	76·1

As the time-lag analyses relate to the estates of the dead and not to the wealth of the living the first stage is to adjust the data for the estates of the dead and the second to carry the adjustment through to the wealth estimates. As there is little correlation between age-groups and time-lags this procedure can be carried out in a simple way.

The estimates of wealth based on the 'standing file' are obtained by grossing the figures on that file by multipliers which are the reciprocals of the age, country and sex-specific mortality rates in the relevant year and adjusting for the fact that the figures on the standing file will be truncated. As the multipliers are based on years of death they are more appropriate to the standing file data than to the conventional ED data so that this procedure represents a double improvement in methodology.

The above procedure provides estimates of capital adjusted for time-lags. Corresponding estimates of numbers of estates are next obtained with the aid of standing file data.

Normally, time-lags have little effect on estimates of the total numbers covered by the identified population, but because of the change of the probate threshold from £500 to £1,500 in August 1975 they have a big effect on the estimates for 1975 and 1976. The effect for 1975 is discussed in the next paragraph.

Of the £6½ billion added by the time-lag adjustment to the estimate of total net wealth for 1975, half related to estates over £100,000 and most of the remainder to those between £15,000 and £100,000. But the increased capital in the top ranges in that year was also accompanied by an increase in numbers (although this was relatively somewhat smaller) so that the increase in percentage of capital shown as owned by a given percentage of the population was moderate. In addition, adjustment of numbers in the bottom range, to the level appropriate to the new probate threshold, reduced them by about 10 per cent. The net effect was to reduce the Gini coefficient by about 1½ percentage points. However, these effects are not stable from year to year and the adjustment needs to be carried out in detail for each year. For 1971 the Gini coefficient was increased by half a percentage point by the time-lag adjustment.

The estimates adjusted for time-lags relate closely to the market value of assets in a given year, unlike the unadjusted estimates. They therefore reflect shifts in the distribution of wealth due to changes, from year to year, in the relative values of assets (e.g. of company shares and of houses). The unadjusted estimates, which relate to asset values in a range of years, do not show the effects of changes in relative asset values so sharply.

ii *Improvement of wealth multipliers*

The wealth multipliers used previously involved some averaging over age-groups (called smoothing) and took no account of differences in mortality rates associated with marital status. Smoothing over age-groups has now been dropped and separate multipliers are now used for each marital status, but neither change has made much difference to the estimates of the distribution of wealth, and comparisons over time are affected still less. Nevertheless the changes were useful both for enabling the distribution of wealth to be examined by age-groups or marital status and because they improve the estimates for certain types of asset. Their combined effect on the Gini coefficient for 1975 was to reduce it by 0·1 percentage points.

The reciprocal mortality multipliers used are based on mortality in the Registrar-General's Social Classes A and B, since wealth above the probate limit is likely to be held by these social classes. No corrections have been made for another possible deficiency in the wealth multipliers. The adjusted multipliers treat those dying of the appropriate social class, country, age group, sex, and marital status as representative, in terms of the level and composition of their wealth holdings, of all the living in the same category. The dying will however include a proportion who have suffered long-term illnesses, and such illnesses may have had as their effect either that previous acquisitions of wealth were untypically low or that disposals of wealth were untypically high. To the extent that such influences have been operating, the wealth of those who have suffered long-term illness may be lower than that of others in the parallel category as regards age, etc. It would therefore be preferable to apply appropriate multipliers to the wealth of those whose death was not preceded by a long-term illness.

It has not yet been possible to devote the necessary research to this subject, nor even to determine what 'weight' should be accorded to deaths following a long-term illness, however defined, as distinct from other deaths. There is a presumption that any such deficiency would lead to some understating of estimates of wealth derived from estate multipliers, and this is consistent with the fact that these estimates as adjusted to the Series C basis are in total somewhat lower than the independent estimates derived from the CSO's balance sheet for the personal sector. The overall residual discrepancy is 3½ per cent of the total; but this includes all other influences upon the estimates and should not be taken as an indication of the extent of any deficiency due to the possibility that the wealth of those dying following a long-term illness is unrepresentative.

iii *Adjustments for quality of basic data*

For estates below the threshold for ED or CTT there is some undervaluation of dwellings which requires correction. This adjustment increases the amounts of capital in the lower ranges by 15 per cent without affecting the numbers of wealth owners covered (although some will be shifted into higher ranges). Hence the effect on the Gini coefficient was rather larger than for the adjustments discussed above for which numbers were also directly affected. For 1975 the Gini coefficient was lowered by 1 percentage point by this adjustment.

iv *Adjustment of the valuation and coverage of life assurance policies*

The estimates in column 1 of Tables 2 and 3, being based on estate duty data, are based on the maturity values of the policies at death. For convenience and comparability, the estimated adjustments in columns 2a to 3b and the estimates for excluded wealth in columns 6a to 7 have also been inserted at maturity value. Column 5b gives a very rough estimate (£11 billion for 1975) of the maturity value

of certain policies, such as many of those covered by the Married Women's Property Act (MWPA), which were omitted from the estate duty statistics because probate was not needed for them and estate duty was often not involved.

The figure of £18 billion given in column 9 of the reconciliation tables in the previous balance sheet articles[1, 12] has been sub-divided into:

a £7 billion for group policies which have been excluded from the allocation of wealth to ranges of net wealth;

b £11 billion for other policies, which have been included in this allocation.

These figures relate to the equity held by the living in the reserves of the life funds. For individuals, the downward adjustment from maturity to equity value will vary with the number of years a policy has to run and in turn is associated with age. The downward adjustment of £37½ billion given in column 5c of Table 2 implies a total for all individuals of £48½ billion at maturity value corresponding to the equity value of £11 billion given in column 9. The Inland Revenue estimates were analysed by age-group and to these was applied a schedule, tentatively estimated as below, of the average ratios for each group of equity to maturity values such that the implied total, for all age groups, of equity value was reduced to £11 billion.

Schedule

Age group	*Equity assumed as percentage of maturity value*
Under 25	3
25–34	12
35–44	25
45–54	35
55–64	45
65–74	60
75–84	75
85 and over	80
Not known[1]	18

[1] Taken as weighted average of percentages for specific age-groups.

These ratios are based on American statistics. Research is being conducted currently by the Government Actuary's Department into the ratios which would be appropriate in the United Kingdom; and this research, when completed, may well imply the need to alter the estimated total of £48½ billion. When this research is completed, it is hoped to publish a further set of estimates on the distribution of wealth in differing age groups. In the meantime, the estimates made for the valuation of life assurance policies must be regarded as preliminary and tentative.

In addition to age, a further factor affecting the relationship between the maturity and equity value of life policies is the mix, within a particular age group, of the types of policies: family protection policies, which are popular with the younger age groups, have a lower equity/maturity value ratio than ordinary endowment policies, and in the higher age groups there may be a relatively large proportion of single premium or other policies, used mainly as media for investment, which will have a relatively high ratio of equity to maturity value.

The allocation of the downward adjustment of £37½ billion in column 5c of Table 2 for 1975 between the included and excluded populations was as follows:

i the figure of £31½ billion implied by the sum of columns 1 to 3b was reduced by £25½ billion;

ii the figure of £11 billion for MWPA, etc. policies was reduced by £7 billion;

iii the total of £6 billion for the excluded population (columns 6a to 7) was reduced by £5 billion.

In subsequent calculations of the distribution of wealth and of the Gini coefficient the implied equity value of MWPA, etc. policies (£4 billion) was treated as part of the wealth of the identified population.

The effect of the adjustment of identified wealth for the value of life assurance policies in 1975 was to increase the Gini coefficient by 2 percentage points.

v *Changes in the basis of valuation of consumer durables*

The adjustment of £27 billion to the valuation of consumer durables shown in Table 2 reflects the difference between realisable values and written down replacement cost. Of this, £21 billion is attributed to the identified population and £6 billion to the excluded population. On this basis a very big *pro rata* adjustment is made to the value of consumer durables held by the identified population. This affects all ranges of wealth but is more important for the smaller ranges for which consumer durables are a somewhat larger component of net wealth. This adjustment is of similar magnitude to the adjustment to the valuation of life policies but opposite in sign. For 1975 it lowered the Gini coefficient by 1·8 percentage points so that the combined adjustments for life assurance and consumer durables raised it by 0·3 percentage points.

vi *The combined effects of these adjustments to the identified population and identified wealth*

The combined effect of these adjustments was to decrease the Gini coefficient by 2 percentage points for 1975 and by 1 percentage point for 1971.

It is not possible to extend the detailed system of adjustments applied to the 1975 wealth estimates to years before 1971: this is the first year for which a two-way analysis of wealth by range of wealth and type of asset based on cumulative computer records by year of death is available. But, with the exception of those for time-lags, these adjustments should usually be either small or consistent over the years.

For periods where price changes (especially those of shares) were moderate the trends which would be shown, if these adjustments could be carried out for earlier years, should be very similar to those in the published Series A. For years where price changes are severe the adjusted series could diverge from the unadjusted which would not accurately measure the change in distribution of wealth at the monetary values then current. But because of these severe changes the adjusted series would be off trend. The conclusion is, therefore, that whilst neither the Series A estimates nor the new adjusted estimates for the identified population provide, from comparison of adjacent years,

Surviving spouse settlements

TABLE 6

Range of total estate	£ thousands: Range of free estate 0—	10—	20—	40—	60—	80—	100 and over	Numbers of estates (thousands) Total
0—								—
10—	1							1
20—	2		1					3
40—	1	1	3	1				6
60—			3	7	6			16
80—etc.			4	6	5	2		17
100 and over		1	2	15	9	9	24	60
Total	4	2	13	29	20	11	24	103

an accurate picture of the trend in the inequality of distribution of their wealth, they both do so over a longer period of time.

c Allocation of excluded wealth and of the excluded population

i *The categories excluded*

A detailed description of the categories excluded from the identified population is given in the article in Studies in Official Statistics No. 35[12]. Of these categories, the excluded joint property owners and the excluded small estates constitute separate sub-populations distinct from that of identified wealthowners. On the other hand, the widows who benefit from surviving spouse settlements usually own some free estate so that in these cases excluded wealth is added to that of the identified population in the estimation procedure. Accumulation and maintenance settlements are for the benefit of minors who may possess little other wealth. The statistical problems in these fields are more difficult than the adjustment of identified wealth, and in the case of trusts there are also conceptual difficulties as already mentioned on page 104.

ii *Surviving spouse settlements*

A survey conducted in 1976 identified such trusts notified to the Estate Duty Office on the death of a surviving spouse in 1971. There were 287 such cases and these were grossed up by the usual estate multiplier method to a figure of 103,000.

A distribution of the income of these trusts was obtained from a survey conducted by the Surtax Office in 1976 on their income in 1971/72, distinguishing between trust income and other income. This survey picked up 82 surviving spouse settlement cases which were grossed up to the estimated total of 103,000. To this income distribution was applied a yield factor of 4 per cent, giving an estimated distribution by size of settlement with a cross-classification against free estate. The Surtax Office survey, however, could take no account of assets yielding no income such as owner-occupied dwellings, and it only related to surtax cases which must bias it towards higher ranges of income and wealth.

In most cases, a widow will benefit from not more than one surviving spouse settlement. On this basis, the estimated distribution by range of free estate and size of settlement, as provided by the survey, could be transferred into one by range of free estate and range of total net estate. This is shown in Table 6, but it must be emphasised that the estimates are approximate and highly precarious.

The addition of surviving spouse settlements increased the Gini coefficient for 1975 by 1·6 percentage points.

iii *Discretionary trusts*

These can be subdivided into:

a Accumulation and maintenance trusts.

b Other discretionary trusts.

The former are for the benefit of minors to whom they have been attributed. The treatment of other discretionary trusts is more difficult. The benefits of these trusts are allocated by the trustees at their discretion so that it is difficult to specify to whom they should be attributed. On the other hand, to adopt a 'legalistic' viewpoint and attribute them to nobody but simply to the personal sector as a whole would give a picture of the distribution of personal wealth which is scarcely realistic.

From a survey conducted in 1974 on the income of discretionary and accumulation trusts in 1972/73, based on a sample of 5,800 cases, it was estimated that there were 90,000 such trusts. Another survey of income conducted in 1976, based on 700 cases, provided an estimated size distribution subdivided between accumulation and maintenance trusts and other discretionary trusts, and the results grossed up to 90,000 cases are shown in Table 7. These estimates are also precarious.

Discretionary trusts

TABLE 7

Range of net capital values (£ thousands)	Accumulation and maintenance settlements		Other discretionary trusts		All discretionary trusts	
	Number (thousands)	Value (£ billion)	Number (thousands)	Value (£ billion)	Number (thousands)	Values (£ billion)
0—	20·2	0·1	19·8	0·1	40·0	0·2
10—	9·3	0·1	9·0	0·2	18·3	0·3
20—	4·7	0·1	4·4	0·1	9·1	0·2
30—	4·0	0·2	4·1	0·1	8·1	0·3
50—	3·7	0·2	3·9	0·3	7·6	0·5
100—	1·2	0·2	2·4	0·3	3·6	0·5
200—	0·6	0·2	1·8	0·6	2·6	0·8
500—	0·1	0·1	0·4	0·6	0·6	0·6
2,000 and over	0·1	0·4	0·2	0·9	0·3	1·3
Total	44·0	1·6	46·0	3·2	90·0	4·8

In order to add these figures into the wealth estimates it is necessary to consider two sets of assumptions:

i the average number of beneficiaries per settlement;

ii the nature of the joint distribution of settled property and identified wealth.

It is crudely estimated that, on average, accumulation and maintenance trusts can be attributed to two beneficiaries and other discretionary trust property to four beneficiaries.

These assumptions were used to calculate two sets of estimates, labelled *a* and *b*. Of these, *a* implies that the beneficiaries have no other wealth – which assumption will minimise the inequality of wealth – whilst *b* was chosen to maximise inequality by attributing the largest trusts, where possible, to the richest owners of free estate.

For accumulation and maintenance trusts the problem of making assumptions on basis *b* was simplified by the almost complete absence of large holdings of free estate by minors in the estimates of identified wealth.

The addition of accumulation and maintenance trusts added 0·3 per cent to the Gini coefficient on basis *a* and 0·4 per cent on basis *b*.

The allocation of the property in other discretionary trusts is more difficult. On basis *a* it raises the Gini coefficient by 1·3 per cent and on basis *b* by 2·3 per cent. The allocation of holders of other discretionary trust property to the highest wealth ranges is again constrained by the relatively small numbers there. A third (and very extreme) assumption has been tested—that each trust benefited one person. But the effect of this was almost identical with that of basis *b*. The estimates shown in all relevant tables take the average of bases *a* and *b*.

iv *Excluded joint property and small estates*

The combined effect of the various adjustments to the identified population and of adding on trusts and settlements not covered by the identified population was to raise the Gini coefficient for 1975 by 2 percentage points. But the addition of excluded small estates and excluded joint property has a massive effect on it and on the estimated distribution of wealth. This is not surprising, as the identified population is only about half the adult population; the wealth of the remainder cannot be assessed from the administrative data from which the estimates for the identified population are obtained.

The assets held by these excluded groups are those shown in columns 6a and 6b of Tables 2 and 3 for 1975 and 1971 respectively. Estimates for these were provided as follows:

i By comparing the estimates of mortgages for the identified population with estimates obtained from the Survey of Personal Incomes, estimates were obtained of the outstanding mortgages of excluded joint owners of dwellings and thence of the corresponding value of their dwellings.

ii In a special analysis of consumer durables in 1975, identified wealth by range of holding cross-classified by range of net wealth was extrapolated to the excluded population and this provided an estimate of £2 billion at realizable value (£8 billion at replacement cost), of which two-thirds was allocated to excluded small estates in the bottom range of wealth and the remainder to excluded joint property owners in the range £5,000 to £15,000. These estimates were then projected to other years.

iii The estimate of £2½ billion for excluded building society shares and deposits in 1975 was based on a survey by Professor Revell and from this a subdivision was made into these two ranges. A similar procedure was adopted for national savings on the basis of work by Professor Revell. These figures were projected to all years, allowing for growth in the habit of owning property jointly.

iv The estimates for bank deposits were obtained by the same extrapolation procedure as for consumer durables, and split in a similar way to building society shares and national savings.

v The figure of £5 billion for life assurance policies at maturity value (see columns 6a and 6b of Table 2), adjusted to £1 billion at 'equity' values was attributed, to the lowest ranges, on the basis of a study by Professor Revell.

vi Other liabilities were allocated in the same proportion as with identified wealth to these ranges.

***d* The overall effect of these adjustments**

Table 8 shows for 1975, for the various stages of adjustment, the percentages of wealth owned by given percentages of population included up to that point. Table 9 shows the effects of these changes on the Gini coefficients for 1971 and 1975. It must be emphasised that the figures for successive stages do not constitute alternative estimates but are presented to enable their importance to be judged in relation to the years discussed and to give broad indications of their possible impact on earlier years.

Most of the adjustments had a comparatively small effect on percentage holdings of wealth: although some considerable changes occurred in numbers and value, in various ranges of wealth, often these moved together so that in percentage terms their effects largely cancelled out. This is demonstrated in Tables A and B on pages 117 and 118.

The notable exception, as might be expected, was the addition of small excluded estates, which nearly doubled the population covered but added much less to the total wealth. Since the excluded population is largely allocated to the bottom end of the distribution, the given numbers in each range of wealth at the top end are a reduced proportion of the adjusted (total) population. The effect therefore is that wider bands with more people (and therefore more wealth) are included in each percentage group at the top end of the distribution. Similarly with the Gini coefficient: except for the last stage the overall effect of the various adjustments was small. But the addition of small excluded estates and their wealth had a massive effect, adding 15 percentage points in 1971 and 14 in 1975. It is interesting to note that while the Gini coefficient for Series C fell 4 percentage points between 1971 and 1975, that for Series B dropped 3 percentage points. It appears therefore that, in the absence of the balance sheet information now available from which Series C has been constructed, Series B provided a broadly correct indication of the trend towards less inequality in the distribution of wealth between these years (see below).

The effect of the adjustments on the concentration of wealth 1975

TABLE 8

Stage of estimate	Percentages of wealth owned by percentage groups of the population included in the estimates at each range, ranked in descending order of wealth						
	Top 1 per cent	1–2 per cent	2–5 per cent	5–10 per cent	10–20 per cent	20–25 per cent	25–50 per cent
Series A (identified population)	17·3	6·3	11·4	12·2	16·3	5·9	20·5
Series A adjusted successively for:							
Time-lags	17·2	6·4	11·1	11·7	15·8	5·9	20·5
Dropping of smoothing	16·7	6·2	11·2	11·7	15·8	6·0	20·8
Marital status multipliers	17·1	6·4	11·0	11·7	15·8	5·9	20·6
Quality of basic data	16·3	6·1	10·8	11·8	16·0	5·9	21·3
Life assurance revaluation	17·7	6·4	11·3	11·7	15·8	6·0	20·2
Consumer durables revaluation	17·1	6·2	10·8	11·6	15·8	5·8	20·9
As above, adjusted successively for excluded wealth of identified[1] population:							
Surviving spouse settlements	17·3	6·6	11·0	11·5	15·5	5·8	20·6
Accumulation and maintenance trusts	17·6	6·6	11·0	11·5	15·4	5·8	20·5
Other discretionary trusts	18·8	6·7	11·0	11·3	15·2	5·7	19·8
Excluded joint property	18·6	6·6	10·7	11·2	14·6	5·4	19·3
Adjusted figure before adding in excluded population							
Addition of excluded small estates and their wealth = overall population (Series C)	23·5	7·0	13·3	14·2	18·2	7·1	10·0
Series B estimates (adult population aged 18 and over, for comparison)	(23·8)	(8·3)	(15·6)	(16·2)	(20·1)	(6·4)	(9·6)

[1] Some beneficiaries of accumulation and maintenance trusts are in the excluded population.

The effect of the adjustments on the Gini coefficient for 1971 and 1975

TABLE 9

Percentages

Stage of estimation		1971 Gini coefficient	1971 Adjustments	1975 Gini coefficient	1975 Adjustments
Series A (for identified population)	Adjustment for:	64		62	
	Time-lags		+0·6		−1·6
	Dropping of smoothing		—		−0·5
	Marital status multipliers		−0·1		+0·4
	Quality of basic data		−1·4		−1·0
	Life assurance revaluation		+2·5		+2·1
	Consumer durables revaluation		−2·5		−1·8
Adjusted Series A (for identified population)		63		60	
	Excluded wealth of identified[1] population:				
	Surviving spouse settlements		+1·8		+1·6
	Accumulation and maintenance trusts		+0·6		+0·3
	Other discretionary trusts		+1·8		+1·8
	Excluded joint property		−1·8		−1·8
Adjusted figure before adding in excluded small estates		65		62	
	Addition of excluded small estates and their wealth		+15		+14
Series C		80		76	
		—		—	
Series B (adult population aged 18 and over, for comparison)		(83)		(80)	

[1] Some beneficiaries of accumulation and maintenance trusts are in the excluded population.

The Appendix on the Gini coefficient considers the accuracy of the estimation procedure for the final stage of the calculation. It concludes that the estimates of the Gini coefficient for Series C are reasonably accurate and should give a good indication of trends in inequality. It emphasises however that it is not possible to provide a subdivision of the poorest 50 per cent of the adult population in the absence of direct information on the distribution of wealth within the sub-population of small excluded estates.

e Comparisons between Inland Revenue Series B and Series C

Although in future Series C will take the place of Series B, any comparison involving previous years for which Series C is not available will necessitate linking these series together and it is therefore useful to compare their movements between 1971 and 1975. Table 10 compares these series for these two years.

Table 11 shows estimates of the Gini coefficients for Series A, B and C.

Distribution of wealth among the adult population (aged 18 and over)

TABLE 10

	Percentages of wealth owned				Differences	
	1971		1975		1971–1975	
	Series B	Series C	Series B	Series C	Series B	Series C
Top 1 per cent	28·3	30·5	23·2	23·5	−5·1	−7·0
Top 2 per cent	37·2	38·7	31·2	30·5	−6·0	−8·2
Top 5 per cent	52·5	51·8	46·4	43·8	−6·1	−8·0
Top 10 per cent	67·8	65·1	62·5	58·0	−5·3	−7·1
Top 25 per cent	91·4	86·5	88·7	83·3	−2·7	−3·2
Top 50 per cent	100·0	97·2	99·8	93·3	−0·2	−3·9

Comparison of Gini coefficients

TABLE 11

Gini coefficients for series	Percentages				
	1971	1974	1975	1976	Modified 1976
A	64	64	62	60	62
B_1	84	83	81	83	81
B_2	83	82	80	82	80
C	80	76	76	77	not applicable

The rows labelled A and B_1 relate to the coefficients as published in *Inland Revenue Statistics*. B_2 is the same as B_1 except that it relates to the population aged 18 and over and not to that aged 15 and over. Row C relates to the new series discussed in this article. The additional column for 1976 is discussed below (for row C this modification is not applicable).

The different movements of the Gini coefficients for Series A and B between 1975 and 1976 reflected a special factor, the revision of the probate limit from £500 to £1,500 to reduce the amount of form filling required by small estates. Not unnaturally it affected the estimates of personal wealth; for 1976 it removed 3 million individuals from the bottom ranges of the identified population compared with 1975. It therefore rendered the identified population more homogeneous and reduced its Gini coefficient. On the other hand, by shifting 3 million individuals to the excluded population to which under Series B no wealth is attributed, it resulted in an artificial increase in the Gini coefficient for Series B. If allowance is made for this we obtain the figures shown in the column headed Modified 1976, which are unchanged compared with 1975. For Series C, however, which allowed for the various other adjustments, there was a rise of one point. But it must be emphasised that the 1976 estimates are provisional.

APPENDIX

The Gini coefficient

The Gini coefficient, G, is a measure of inequality. It is defined as half the mean difference divided by the mean. For wealth it compares the wealth of each individual with that of all other individuals: the sum of such differences is then standardised by the mean level of wealth.

The calculation of G can be carried out with reasonable accuracy for Series A and B (giving coefficients referred to hereafter as G_A and G_B respectively) and also for all stages of adjustment from Series A to Series C except the last, the addition of small excluded estates. But careful consideration had to be given to the question whether the coefficient for Series C (referred to as G_C) could be calculated reasonably accurately in the absence of information on the distribution of wealth within the least wealthy half of the population.

There are several methods of calculating G but that used by Inland Revenue for Series A and B starts from the wealth concentration table of cumulative percentage holdings of wealth tabulated against cumulative percentage numbers; when these figures are plotted on a chart this gives the wealth concentration curve. Chart 1 shows the wealth concentration curves for Series A and Series B, in which numbers and values are cumulated from the bottom and expressed as proportions.

It can be shown, if G is also expressed as a proportion, that G is equal to twice the area between the central diagonal starting from the origin and the wealth concentration curve. If these areas for Series A and B are called M_A and M_B then $G_A = 2M_A$ and $G_B = 2M_B$. If the complementary areas beneath these curves are called N_A and N_B it follows that $G_A = 1 - 2N_A$ and $G_B = 1 - 2N_B$. Hence G can be calculated by first estimating N and then applying these formulae.

Calculation of G_A

This relates only to the wealth of the identified population having wealth of a nature or size requiring probate on death; no account is taken of the excluded population.

The estimation of N_A is done in two stages:

i estimates of numbers of wealthowners and amount of wealth in various ranges of net wealth provide discrete points on the wealth concentration curve. If these are joined by straight lines the area under this figure will provide an approximation to that under the wealth concentration curve. The area of this approximate figure is calculated as the sum of the trapezia in its segments.

ii This estimate will be biassed upwards and a curvature correction formula is therefore applied to give a better approximation to the required area.

Provided that a reasonable number of points are used this method gives a reasonably accurate estimate of G_A. As the bias remaining after applying the correction formula is expected to be similar in different years the estimate should provide an even more accurate estimate of trend over time.

Calculation of G_B and G_C

G_B is based on the Series B estimates of the distribution of wealth in which the excluded population aged 18 or over is added in on the extreme assumption that they have no wealth.

When G_A has been calculated, G_B can be derived from it, using a simple formula. The addition of the excluded population without their wealth shifts the concentration curve to the right, so that the distances between this curve and the vertical line at the right of the chart are all

CHART 1

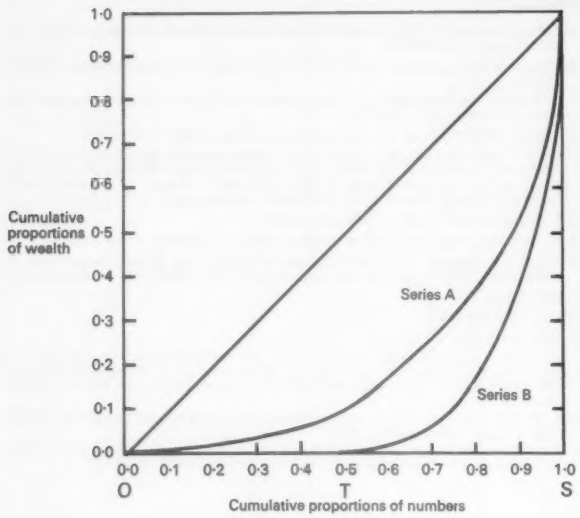
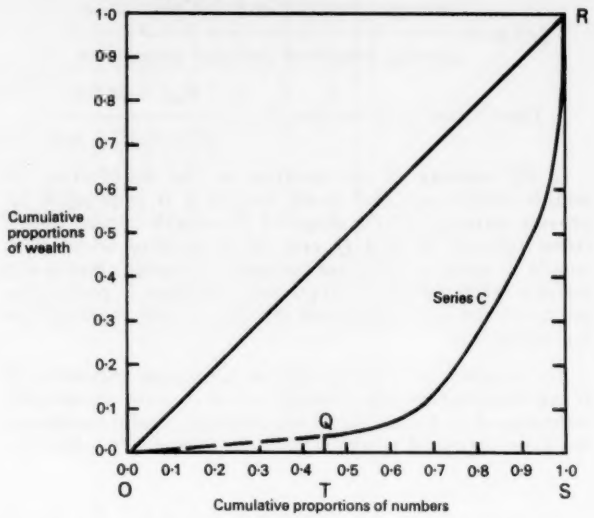


CHART 2



reduced in the same ratio, i.e. the proportion of the adult population covered by the identified population. This is because the numbers are now expressed as a proportion of a bigger population, but the proportions of wealth plotted against these are unchanged.

Let $p = \dfrac{\text{number of excluded population}}{\text{number of included population}}$

It then follows that in Chart 1

$$TS = \frac{1}{1+p}$$

Hence $N_B = \dfrac{N_A}{1+p}$

From this it can be shown that $G_B = \dfrac{G_A + p}{1+p}$

This procedure can also be used as the first half of the final stage of calculating G_C, if for G_A is substituted the Gini coefficient which embodies all the adjustments to the identified population and adds on excluded trusts and excluded joint property, i.e. expressed as a proportion, 0·62 for 1975 (see Table 9). This may be called G_{A^1}. A corresponding G_{B^1} can be obtained by applying the formula shown above (with an appropriate value of p) in which the number of excluded small estates is allowed for but not their wealth. The second half of this final stage consists of adding in their wealth and this leads to the estimate of G_C.

The reason for splitting this final stage into two is that it provides useful insight into the accuracy of the estimates of G_C. As seen in Table 9 the combined effect of the various adjustments before adding in excluded small estates was negligible, whilst the addition of these estates and their wealth raised it by 14 points. It might therefore appear that the accuracy of the last stage was very much less than that of the previous stages.

The accuracy of calculation of the Gini coefficient at the various stages will depend upon:

i random errors such as sampling errors;

ii biases such as that resulting from the extreme assumption that the excluded population have no wealth.

The transition from G_{A^1} to G_{B^1}, which for 1975 added 17 percentage points, involved the second type of error but did not add on any errors of the first type. The calculation of G_C from G_{B^1} largely corrects the bias without incurring additional errors of the first type. It involves a downward shift of only 4 percentage points.

Chart 2 plots an approximation to the wealth concentration curve (OQR) of Series C obtained by adding in the excluded population at the bottom, assuming they each have the same amount of wealth and shifting the included population up accordingly. Triangle OQT represents the excluded small estates and their wealth on this assumption. Curve QR is obtained from that corresponding to G_{B^1} by uplifting it to allow for the wealth of excluded small estates. Combining these we have concentration curve OQR for Series C. This procedure involves two small biases:

a it ignores the fact that some of the excluded small estates may be wealthier than some of the identified population. But an examination of the distribution of identified wealth indicates that this is unlikely to seriously affect the Gini coefficient.

b the assumption that there is no inequality within the excluded population must bias the estimate of G_C downwards. On the other hand, the other extreme shown by curve $OTQR$ must underestimate G_C, and to an excessive extent as it would imply that the wealth of the excluded population is concentrated in the hands of very few people (at point T) who would then be richer than many to the right of point T.

$$\text{Let } q = \frac{\text{average wealth of excluded population}}{\text{average wealth of included population}}$$

$$\text{Then it can be shown that } G_c = \frac{G_{AI} + p(1-q)}{(1+p)(1+pq)}$$

In the absence of information on the distribution of wealth within excluded small estates it is impossible to provide estimates of the shape of the wealth concentration curve between O and Q and the procedure adopted is simply to apply a curvature correction formula. But as the relevant area (triangle OTQ) only involves 2 percentage points of the Gini coefficient the bias in this method can not be serious.

The conclusion is therefore that reasonable estimates of G are obtained by this method and even more reasonable estimates of its trend despite the absence of information on the distribution of wealth within the excluded population.

References

1 Central Statistical Office 'Personal sector balance sheets', *Economic Trends*, No. 291, January 1978 HMSO

2 *Report of the Committee on the Working of the Monetary System Cmnd.* 827 (HMSO 1959)

3 P. Redfern 'Net Investment in Fixed Assets in the United Kingdom', *Journal of the Royal Statistical Society* (1955)

4 J. Revell *The Wealth of the Nation* (Cambridge University Press, 1967)

5 Dr D. J. Reid 'The role of personal sector balance sheets in the national accounting system and sources and methods used to compile them', *Personal sector balance sheets and current developments in Inland Revenue estimates of personal wealth* Studies in Official Statistics, No. 35 (HMSO forthcoming)

6 J. Stamp *British Income and Property*, 1916

7 H. Campion, *Public and Private Property*, Oxford University Press, 1939.

8 Royal Commission on the Distribution of Income and Wealth: *Report No. 1–Initial Report on the Standing Reference*, Cmnd. 6171 (HMSO 1975) paragraph 187

9 Ibid, Table 32

10 Ibid, paragraph 201

11 Ibid, paragraphs 41–47

12 A. T. Dunn and P. Hoffman 'Current developments in Inland Revenue estimates of personal wealth', *Personal sector balance sheets and current developments in Inland Revenue estimates of personal wealth* Studies in Official Statistics, No. 35 (HMSO forthcoming)

13 A. B. Atkinson and A. J. Harrison, 'Distribution of Personal Wealth in Britain', (Cambridge University Press 1978)

14 Royal Commission on the Distribution of Income and Wealth *Report No. 5—Third Report on the standing reference* Cmnd. 6999 (HMSO 1977) Table 39

Adjustments to estimates of wealth of individuals: numbers and amounts 1975

TABLE A

Type of estimate or assessment	Numbers (Thousands)								Amounts (£ billion)							
	Range of net wealth (£ thousands)								Range of net wealth (£ thousands)							
	0—	1—	3—	5—	15—	50—	100—	Total	0—	1—	3—	5—	15—	50—	100—	Total
Conventional estimates (Series A)	3,463	4,849	2,514	7,395	2,450	252	98	21,021	1·9	8·9	9·9	67·7	60.3	18·2	23·3	190·3
Time-lag adjustments	−841	−411	−128	−333	+57	+24	+13	−1,619	−0·4	+0·1	+0·4	−0·3	+1·4	+1·7	+3·1	+6·6
Adjusted for time-lags	2,622	4,438	2,386	7,062	2,507	276	111	19,402	1·5	9·0	10·3	68·0	61·7	19·9	26·4	196·8
Effect of dropping smoothing	−11	−19	−11	+43	+17	+8	+4	+31	—	—	—	+1·0	−0·4	—	−0·6	—
Unsmoothed estimates	2,611	4,419	2,375	7,105	2,524	284	115	19.433	1·5	9·0	10·3	69·0	61·3	19·9	25·8	196·8
Effect of adopting marital status multipliers	+41	+71	+38	+245	+39	−6	−2	+426	—	—	—	+1·7	+1·9	+0·4	+1·0	+4·8
Marital status multiplier estimates	2,652	4,490	2,413	7,350	2,563	278	113	19,859	1·5	9·0	10·3	70·7	63·2	20·3	26·8	201·6
Adjustment for quality of basic data	—	—	—	—	—	—	—	—	+0·1	+0·6	+0·7	+5·4	+3·4	—	—	+10·3
Estimates with basic data adjusted	2,652	4,490	2.413	7,350	2,563	278	113	19,859	1·6	9·6	11·0	76·2	66·6	20·3	26·8	211·9
Revaluation of life assurance	—	—	—	—	—	—	—	—	−0·3	−1·7	−1·7	−9·9	−6·6	−1·0	−0·6	−21·8
Estimates adjusted for life assurance	2,652	4,490	2,413	7,350	2,563	278	113	19.859	1·3	7·9	9·3	66·3	60·0	19·3	26·2	190·1
Revaluation of consumer durables	—	—	—	—	—	—	—	—	+0·4	+1·8	+1·6	+8·1	+5·5	+1·1	+2·2	+21·1
Adjusted estimates for included population	2,652	4,490	2,413	7,350	2,563	278	113	19,859	1·7	9·7	10·9	74·4	65·5	20·4	28·4	211·2
Surviving spouse settlements	—	—	−2	−3	−30	+1	+34	—	—	—	—	—	−1·3	+0·2	+3·6	+2·5
With above added in	2,652	4,490	2,411	7,347	2,533	279	147	19,859	1·7	9·7	10·9	74·4	64·2	20·6	32·0	213·7
Accumulation and maintenance trusts	+5	+10	+5	+14	+8	+1	+1	+44	—	—	+0·1	+0·5	+0·7	+0·3	+1·2	+2·8
With above added in	2,657	4,500	2,416	7,361	2,541	280	148	19,903	1·7	9·7	11·0	74·9	64·9	20·9	33·2	216·5
Other discretionary trusts	+18	+32	+8	+17	+12	+3	+2	+92	—	+0·2	+0·1	+0·2	+0·6	+0·7	+3·9	+5·7
With above added in	2,675	4,532	2,424	7,378	2,553	283	150	19,995	1·7	9·9	11·1	75·1	65·5	21·6	37·1	222·2
Excluded joint property	—	—	—	+2,000	—	—	—	+2,000	—	—	—	+12·0	—	—	—	+12·0
With above added in	2,675	4,532	2,424	9,378	2,553	283	150	21,995	1·7	9·9	11·1	87·1	65·5	21·6	37·1	234·2
Small estates	18,358	—	—	—	—	—	—	+18,358	+10·0	—	—	—	—	—	—	+10·0
Overall estimates (Series C)	21,033	4,532	2,424	9,378	2,553	283	150	40,353	11.7	9·9	11·1	87·1	65·5	21·6	37·1	244·2

Note: Totals may not agree with individual figures because of rounding. The figures above also exclude certain shifts of individuals between ranges of wealth, which have been allowed for in Table 1.

Adjustments to estimates of wealth of individuals: percentage numbers and amounts 1975

TABLE B

Type of estimate or assessment	Percentage numbers								Percentage amounts							
	Range of net wealth (£ thousands)								Range of net wealth (£ thousands)							
	0—	1—	3—	5—	15—	50—	100—	Total	0—	1—	3—	5—	15—	50—	100—	Total
Conventional estimates (Series A)	16·5	23·1	12·0	35·2	11·7	1·20	0·47	100	1·0	4·7	5·2	35·6	31·7	9·5	12·2	100
Time-lag adjustments	−3·0	−0·2	+0·3	+1·2	+1·2	+0·22	+0·10		−0·2	−0·1	—	−1·0	−0·3	+0·6	+1·2	
Adjusted for time-lags	13·5	22·9	12·3	36·4	12·9	1·42	0·57	100	0·8	4·6	5·2	34·6	31·4	10·1	13·4	100
Effect of dropping smoothing	−0·1	−0·2	−0·1	+0·2	+0·1	+0·04	+0·02		—	—	—	0·5	−0·2	—	−0·3	
Unsmoothed estimates	13·4	22·7	12·2	36·6	13·0	1·46	0·59	100	0·8	4·6	5·2	35·1	31·2	10·1	13·1	100
Effect of adopting marital status multipliers	—	−0·1	—	+0·4	−0·1	−0·06	−0·02		−0·1	−0·1	−0·1	—	+0·1	—	+0·2	
Marital status multiplier estimates	13·4	22·6	12·2	37·0	12·9	1·40	0·57	100	0·7	4·5	5·1	35·1	31·3	10·1	13·3	100
Adjustment for quality of basic data	—	—	—	—	—	—	—		+0·1	—	+0·1	+0·9	+0·1	−0·7	−0·7	
Estimates with basic data adjusted	13·4	22·6	12·2	37·0	12·9	1·40	0·57	100	0·8	4·5	5·2	36·0	31·4	9·4	12·6	100
Revaluation of life assurance	—	—	—	—	—	—	—		−0·1	−0·3	−0·3	−1·1	+0·2	+0·6	+0·9	
Estimates adjusted for life assurance	13·4	22·6	12·2	37·0	12·9	1·40	0·57	100	0·7	4·2	4·9	34·9	31·6	10·0	13·5	100
Revaluation of consumer durables	—	—	—	—	—	—	—		+0·1	+0·4	+0·3	+0·3	−0·6	−0·3	−0·1	
Adjusted estimates for included population	13·4	22·6	12·2	37·0	12·9	1·40	0·57	100	0·8	4·6	5·2	35·2	31·0	9·7	13·4	100
Surviving spouse settlements	—	—	−0·1	—	−0·1	—	+0·17		—	−0·1	−0·1	−0·4	−1·0	−0·1	+1·6	
With above added in	13·4	22·6	12·1	37·0	12·8	1·40	0·74	100	0·8	4·5	5·1	34·8	30·0	9·6	15·0	100
Accumulation and maintenance trusts	—	—	—	—	—	+0·01	+0·01		—	—	—	−0·3	—	+0·1	+0·3	
With above added in	13·4	22·6	12·1	37·0	12·8	1·41	0·75	100	0·8	4·5	5·1	34·5	30·0	9·7	15·3	100
Other discretionary trusts	—	+0·1	—	−0·1	—	+0·01	+0·01		—	—	—	−0·7	−0·4	—	+1·4	
With above added in	13·4	22·7	12·1	36·9	12·8	1·42	0·76	100	0·8	4·5	5·1	33·8	29·6	9·7	16·7	100
Excluded joint property	−0·8	−2·0	−1·1	+5·7	−0·8	−0·12	−0·07		—	−0·2	−0·2	+3·4	−1·6	−0·5	−0·8	
With above added in	12·2	20·7	11·0	42·6	11·6	1·30	0·69	100	0·8	4·3	4·9	37·2	28·0	9·2	15·9	100
Small estates	+39·9	−9·4	−5·0	−19·4	−5·2	−0·59	−0·31		+4·0	−0·2	−0·2	−1·5	−1·1	−0·4	−0·7	
Overall estimates (Series C)	52·1	11·3	6·0	23·2	6·4	0·71	0·38	100	4·8	4·1	4·7	35·7	26·9	8·8	15·2	100

Note: Totals may not agree with individual figures because of rounding. The figures above exclude certain shifts of individuals between ranges of wealth, which have been allowed for in Table 1.

The economic situation and prospects for 1979

The following Government forecast of Britain's economic prospects for 1979 was published by HM Treasury on 15 November 1978 as a special supplement to the November issue of their Economic Progress Report. *It updates the Government forecasts published in the* Financial Statement and Budget Report *in April 1978*[1]*, and extends the period covered to the end of 1979.*

Summary

The economy is expected to continue to expand during 1979, though at a slower rate than this year; a growth rate of 2 per cent during 1979 is forecast. Consumers' spending and exports are likely to be the main forces behind expansion. The current account is forecast to remain near to balance; and price inflation to stay near the present rate of about 8 per cent a year.

Recent economic developments

The first half of 1978 saw an acceleration of growth in gross domestic product (GDP), together with a small reduction in unemployment and continued progress on reducing and containing inflation. These trends appear to have continued in the third quarter.

The change on a year earlier in retail prices, which fell below 10 per cent in January, was further reduced to below 8 per cent in April, and has since remained in a range of 7 to 8 per cent.

Average earnings in August were around 14 per cent higher than a year earlier, implying a substantial increase in real earnings over the past year. Take-home pay has been boosted further by tax reductions announced in October of last year, and in the April Budget. As a result, real personal disposable income in the second quarter was 7½ per cent higher than a year before.

The large rise in real incomes has produced a substantial increase in consumers' expenditure, which was 3½ per cent higher in the first half of this year than in the second half of 1977. Provisional estimates for the third quarter show continuing growth, with a quarter-on-quarter rise of 1½ per cent.

Higher consumers' expenditure and a high level of stockbuilding have been factors behind the growth in GDP in the first half of 1978. On present evidence, growth in GDP between the second half of 1977 and the first half of 1978 was at an annual rate of around 3 per cent. The output estimate – often regarded as the most reliable indicator of short-term movements – suggests a slightly larger increase in GDP.

The past two years have seen a strong recovery in private sector industrial and commercial investment from the deep recession of 1974–75. Between the first halves of 1976 and 1978 manufacturing investment (excluding iron and steel) rose by 29½ per cent and distributive and service investment by 23 per cent.

Unemployment has been falling slowly this year, and in October was 90,000 lower (including school leavers) than a year earlier.

Export volumes, after falling quite sharply in the fourth quarter of 1977 from the very high levels of the previous quarter, have shown moderate growth over the course of 1978. Import volumes have been rising, with a particularly large increase in the first quarter. Nearly all the rise this year has been in imports of manufactures.

The balance of visible trade, which showed a marginal surplus in the second half of 1977, recorded a deficit of about £1,050 million in the first three quarters of 1978. The surplus on invisibles in the first half of 1978 is estimated at a little under £650 million, rather lower than the £1,050 million surplus recorded in the second half of 1977. Including a projection of the surplus on invisibles, the current account is estimated to have been in approximate balance over the first three quarters of 1978.

Economic prospects

Policy assumptions

The forecast assumes that both pay settlements and increases in average earnings in the current pay round will be about half those realised last year under the 10 per cent guidelines. The UK's effective exchange rate is assumed to remain unchanged. Monetary growth is held within the announced limits. A conventional assumption is made that both personal income tax allowances and bands, and also specific indirect tax rates, are increased in the 1979 Budget to take account of price rises during 1978.

Domestic demand

The rapid rise in living standards this year has been made possible by a favourable combination of tax cuts and of earnings growth well in excess of price rises. While a slower rate of growth in *consumer spending* seems inevitable, further increases are likely, of the order of 2½ per cent during 1979. Factors likely to sustain spending in 1979 are: increases in social security benefits (especially the rise in the child benefit rate); increases in some non-wage incomes and, perhaps most important of all, a fall in the rate of savings. This reflects the usual lag between the rapid rise of real incomes and its full impact on spending; and also the benign effect of continuing single-figure inflation on the real value of personal assets, by comparison with the much higher inflation rates of the mid-seventies.

The forecast of *private sector investment* is based on the regular surveys of firms' investment intentions undertaken by the Department of Industry and the CBI: these point to continuing growth in private industrial investment both in the remainder of 1978 and in 1979. Smaller increases, however, are predicted for 1979 than for 1978. On past experience, investment plans will be revised in the light of economic developments, particularly the growth of output, over the forecast period. The slow growth of output forecast

[1] Reprinted in *Economic Trends* No. 294, April 1978.

for 1979 has led to a cautious interpretation of the enquiries: it is possible that investment may reach a peak in 1979 and begin to decline before the year end. For private investment in manufacturing a small fall is forecast between the second halves of 1978 and 1979, though there is a forecast rise of 4 per cent between the two calendar years. Distributive and service investment continues to rise throughout 1979 and a rise of 6½ per cent is forecast between the calendar years. For the rest, investment in ships and in the North Sea may decline a little in 1979; and there may be no further fall in the public sector, after a 25 per cent fall between the first halves of 1976 and 1978.

Stockbuilding in the first half of 1978 was again high. Manufacturers continued to build up their stocks of finished goods which are now considerably higher in relation to sales than a few years ago. This seems likely to be more a result of deliberate decisions than an unanticipated build up. Outside the manufacturing sector, the current strength of consumer demand is encouraging distributors to hold higher stocks. It looks as though the impetus of stockbuilding to demand is now over, and that the rate of increase in stocks will be slowing down after the first half of 1978.

The forecasts of *public expenditure* provide for a full allocation of the contingency reserve and allow for continuing shortfall. For general government expenditure on goods and services the forecast is for an increase of 2 per cent between the second halves of 1978 and 1979, with investment steady and consumption continuing to rise moderately.

Economic prospects to the end of 1979

TABLE 1

	2nd half 1977 to 2nd half 1978	2nd half 1978 to 2nd half 1979
	Percentage changes	
A. Output and expenditure at constant 1975 prices		
Gross domestic product (at factor cost)	3½	2
Consumers' expenditure	5½	2½
General Government expenditure on goods and services	1½	2
Other fixed investment	6	2
of which Private sector manufacturing	15	−2½
Exports of goods and services	3½	5½
Stockbuilding (as per cent of GDP)	—	—
Imports of goods and services	11	6½
Manufacturing production	2½	1
B. Balance of payments on current account	1978	1979
	£ billion	
1st half	−¼	—
2nd half	—	−¼
C. Public sector borrowing requirement	1978–79	1979–80
	£ billion	
(percentage of GDP at market prices)	8 (4¾%)	8¼ (4¾%)
D. Retail Price Index	4th quarter 1977 to 4th quarter 1978	4th quarter 1978 to 4th quarter 1979
	percentage changes	
	8	8½

Prices

Inflation in 1978 benefited from the comparatively low pay increases in the 1976–77 pay round. It also benefited from the appreciation of sterling at the turn of the year, low food and commodity prices, reductions in the mortgage rate, and from the fact that expenditure tax rates were not increased. As a result, the inflation rate (as measured by the increase on a year earlier in retail prices) came down from 13 per cent in the fourth quarter of 1977 to 7½ per cent in the second quarter of 1978. Hence inflation has recently been running below the current rate of pay increase by an exceptionally large amount. In the 1977–78 pay round there was a larger increase in wage costs than in the previous round; because of this, and because the factors benefiting prices in 1978 are likely to have a smaller impact (or, in some cases, to be reversed) the inflation rate seems likely to edge up a little, reaching between 8 and 9 per cent in 1979. As a consequence of pay policy a lower growth of earnings is assumed from now on; part of the benefit will be felt in 1980, beyond the end of the forecast period. Keeping inflation within single figures is critically dependent on this lower growth of earnings.

Trade and the current balance

Despite quite fast growth in the United States over the last year, growth in gross national product (GNP) for the main OECD countries, taken together, is continuing at only a modest rate; probably about 3½ per cent in 1978, much the same as in 1977. A similar rate may persist into 1979. Both in 1977 and so far in 1978 the estimated growth of world trade in manufactures has been surprisingly low in relation to economic activity. It is assumed that the usual tendency for trade to grow significantly faster than GNP is re-established. While for 1978 it seems that UK-weighted trade in manufactures will have grown by no more than 4 per cent, a growth of 7 to 8 per cent is forecast for 1979, partly reflecting the shift in the composition of GNP growth towards the smaller and more open economies.

In 1978 UK exporters seem to have maintained nearly all of the higher share of world trade in manufactures they captured in 1977. In 1977 export volumes rose by 8 per cent and a further rise of about 2½ per cent seems likely in 1978. With the faster growth forecast for world trade in 1979, some continued benefit from past gains in cost competitiveness, and the likelihood that the UK's trend loss of share is slower than it was, UK exports of manufactures are forecast to rise 6 per cent in 1979, with a similar figure for the volume of exports of goods and services.

Total import volumes have moved erratically, but quite strongly upwards over the past eighteen months. Comparing the first three quarters of 1978 with the same period a year earlier, imports of goods rose 7 per cent: this included a rise of 14 per cent in imports of manufactures, and small falls in imports of fuel, food and basic materials. The forecast allows for import penetration of manufactured goods to increase further. Difficulties in assessing import performance make the forecast particularly uncertain, but it seems likely that total imports of goods and services in 1979 will grow a little more slowly than in 1978 – by 6½ per cent following 7 per cent. Almost all the rise in 1979 is likely to represent higher imports of manufactures.

continued on page 122.

Forecasts of expenditure, imports and gross domestic products

TABLE 2

	£ million at 1975 prices, seasonally adjusted												
		General government expenditure on goods and services										Gross domestic product at factor cost	
	Consumers' expenditure	Final consumption	Fixed investment	Total	Other fixed investment	Exports of goods and services	Stock-building	Total final expenditure	*less* Imports of goods and services	*less* Adjustment to factor cost	Statistical adjustment		GDP index 1975 = 100
1976	63,300	23,400	4,700	28,100	15,800	29,400	250	136,850	30,200	10,850	−400	95,400	102·9
1977	62,750	23,300	3,850	27,150	15,900	31,350	1,050	138,200	30,300	10,800	—	97,100	104·9
1978	66,100	23,800	3,600	27,400	16,850	32,450	950	143,700	32,300	11,300	−150	99,950	107·9
1979	67,950	24,150	3,700	27,850	17,200	34,400	600	148,000	34,500	11,600	+400	102,300	110·5
1977 first half ..	31,100	11,600	2,000	13,600	7,800	15,400	800	68,750	15,400	5,350	+250	48,250	104·2
second half ..	31,650	11,700	1,850	13,550	8,050	15,950	250	69,450	14,850	5,450	−300	48,850	105·5
1978 first half ..	32,750	11,900	1,750	13,650	8,300	15,900	700	71,250	15,850	5,600	−350	49,450	106·8
second half ..	33,350	11,900	1,850	13,750	8,550	16,550	250	72,450	16,450	5,700	+200	50,500	109·0
1979 first half ..	33,850	12,000	1,850	13,850	8,500	16,950	300	73,450	17,000	5,750	+200	50,900	109·9
second half ..	34,100	12,150	1,850	14,000	8,700	17,450	300	74,550	17,500	5,850	+200	51,400	111·0
Percentage changes													
First half 1977 to first half 1978 ..	5½	2½	−13½	0	6½	3		3½	3	5		2½	
Second half 1977 to second half 1978 ..	5½	2	½	1½	6	3½		4	11	4		3½	
First half 1978 to first half 1979 ..	3½	1	5½	1½	2½	7		3	7	3		3	
Second half 1978 to second half 1979 ..	2½	2	−1	2	2	5½		3	6½	3		2	
First half 1978 to second half 1979 (at annual rate) ..	3	1½	4	1½	3	6½		3	7	3		2½	

Because of rounding half-year totals do not always sum exactly to the annual figures or the components of expenditure to total final expenditure.

Rebasing to 1975—Technical note to Table 2

The forecast presented in this table shows volume movements at 1975 constant prices. Figures to the first half 1978 are consistent with those in the 1978 National Income and Expenditure 'Blue Book'; the £m GDP figures are derived from an index of GDP based on the average of expenditure, income and output estimates, with the level of that index in 1977 being taken as equal to expenditure in that year.

The detailed forecast was constructed using 1970-based constant price data and relationships. In converting to 1975 prices, the 1970 constant price expenditures have been scaled to 1975 prices using the ratio of 1975 to 1970 prices in 1977. By rescaling in this way rather than on the first half of 1978 possible distortions produced by seasonal variation or the more provisional nature of the data are reduced. However the change between past and forecast data does not follow precisely the pattern in the forecast at 1970 prices and an additional problem of interpretation is thereby introduced. For consumers' expenditure and general government consumption a small (downward) trend adjustment has been made to the forecasts at 1970 prices to reflect observed differences in trend between the data at 1970 and 1975 prices. Separate treatment has been given to trade in oil to reflect the change in its relative price between 1970 and 1975 and to the factor cost adjustment, where the 1970-based data moved differently from the new series. In addition the output indices for the four sectors separately identified in constructing the forecast (oil, manufacturing, public non-trading and the rest) have been re-referenced to 1975=100 and combined using weights appropriate to a 1975 based. This gives a forecast of GDP which is slightly above that obtained from expenditure components throughout the forecast period. The GDP forecast shown in the final two columns of the table is the average of these two approaches to re-basing, both of which have been applied to the 'compromise' estimates of GDP. The statistical adjustment is a balancing item reflecting differences between the sum of the expenditure components and average GDP derived in the way already described. For 1977 as a whole this adjustment is, by construction, zero.

After a major improvement in the UK terms of trade up to the first half of 1978, no great change is expected over the forecast period. The invisible surplus declined between 1976 and 1978, as a result *inter alia* of increasing transfers to the EEC, and a substantial deterioration in the interest, profits and dividends account. Not much change from the level in the first half of 1978 is expected in 1979.

In total the current account may remain close to balance in 1979, with a deterioration in the volume of net trade in manufactures being offset by rising oil production. It should be noted that the margins or error on the current account are potentially large: errors of a billion pounds are liable to occur in either direction in the second half of 1979.

Public sector borrowing requirement

The public sector borrowing requirement (PSBR) in the current financial year is forecast at £8 billion. At this stage of the year there are still major uncertainties about many important elements in the accounts, including the level of tax receipts from companies and borrowing by public corporations and local authorities. As a proportion of GDP at market prices, the PSBR in 1978–79 may be about $4\frac{3}{4}$ per cent. Little change in this proportion seems likely in 1979–80, though the absolute size of the PSBR is forecast to rise slightly to £$8\frac{1}{2}$ billion. The likely margin of error is probably some £2–£3 billion.

Margins of error

The tables set out forecasts of the UK economy to the end of 1979. These are central estimates, based on the policy assumptions outlined on page 119, but it must never be forgotten that the precise numbers in the tables are at the centre of large ranges. Errors will arise from imperfect measurement of the economy; from incorrect specification and estimation of economic relationships; from mistaken judgments about factors not allowed for in these relationships – quite apart from the possibility of changes in Government policies.

Assessing margins of error is notoriously difficult, though the use that can be made of forecasts must depend on some such assessment. There are always factors special to particular forecasts: in this case the difficulty of working with both 1970-based and 1975-based constant price magnitudes. As a result, the forecasts of demand and output, but to a much lesser extent current price variables, are liable to greater error in this forecast. In general, a crude guide to the margins of error is given by averages of the errors in previous official forecasts. These are set out in Table 3 and some of the complications explained in the accompanying technical note.

The table shows that, for example, the average error in forecasting output one year ahead was 2 per cent, much the same as the forecast increase in output over the next year, and appreciably more than the estimated impact of most Budgets.

Average forecasting errors

TABLE 3

	First half year of forecast period	Second half year of forecast period
Constant prices		
Consumers' expenditure (per cent) ..	0·9	1·8
Public authorities consumption (per cent)	1·5	1·9
Gross fixed investment (per cent) ..	2·8	3·6
Stockbuilding (per cent of GDP) ..	0·9	1·1
Exports of goods and services (per cent)	3·4	3·9
Imports of goods and services (per cent)	2·3	3·5
GDP at factor cost (per cent)	1·3	2·0
Current prices		
Current account of balance of payments (percentage of current price GDP) ..	0·8	1·5
Retail price index (percentage change on year previously)	1·1	3·4

Technical note: the calculations underlying Table 3

The method of calculating the average forecast errors given above is the same as that which was used to construct the previous set of estimates published in October 1977.* The calculations for the constant price variables are now derived from forecasts made during the period June 1965 to November 1976. For the current balance and the retail price index forecasts made between June 1970 and November 1976 are used.

The calculations were based on quarterly forecasts, where the results for successive quarters were combined to produce half-yearly figures. The errors refer essentially to growth rates and the averages shown are the arithmetic means of the absolute percentage errors (that is taken regardless of sign). For all variables except the retail price index the error for each forecast is taken as the difference between the actual percentage change between a base period and the half year concerned, and the percentage change for the same period which appeared in the forecast.

In each case the base period is taken to be the average of the four quarters prior to the quarter in which the forecast was made. Thus the forecast change for the 'second half year' is the forecast change between the average for quarters –4 to –1 and quarters 3 and 4. This is compared with the latest estimate of the actual change over the same period. Changes in stockbuilding are expressed as a percentage of contant price GDP, and the corresponding error measured accordingly. For the current balance the error is calculated in terms of percentages of current price GDP; for retail prices the measure is the percentage change on a year earlier.

In a number of cases the outcomes are likely to have been affected by policy changes which were different from those assumed in the forecast. The estimates shown here have been adjusted only for major changes in fiscal policy and hire purchase credit controls, but not for other departures from the original assumptions.

* See *Economic Progress Report* No. 92, November 1977 or *Economic Trends* No. 288, October 1977.

Round-up: what's new in economic statistics

Capital and current expenditure

An article in the November issue of *Economic Progress Report* considers the commercial accounting concepts of capital and current expenditure and discusses the conclusions which can be drawn from the distinction between these two terms in the public expenditure White Papers.

Investment intentions inquiry: a ten-year review

An article in *Trade and Industry* for 27 October presents comparisons between estimates of capital expenditure for the years 1968–77 obtained from the Department of Industry's investment intentions surveys of firms in manufacturing industry and the distributive and service trades with actual expenditure as recorded. The article provides an annual supplement to the more limited comparison published regularly on Page 18 of *Economic Trends*.

How many and how big

An article in *Trade and Industry* for 17 November reports the results of a survey of Britain's top 1,500 industrial and commercial companies. The article examines the distribution of companies by industry for each of nine size bands – in terms of capital employed – and analyses capital employed in each band. A further table looks at the companies' turnover.

A second article in the same issue looks at concentration ratios – which show the extent to which UK manufacturers' product sales are concentrated in the hands of a small number of manufacturers – and highlights product groups which have shown the largest increases or decreases between 1968 and 1975 and also those groups with the highest and lowest absolute ratios in 1975.

Index of sources

Data given on page 5 may be more recent than that shown elsewhere in the publication.

United Kingdom balance of payments; National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

	Page	*Source*	*Further statistics*
Average earnings (see Earnings)			
Balance of payments		Central Statistical Office	Financial Statistics; Quarterly articles in Economic Trends
Current balance	5,46,48		
Invisibles	46		
Official reserves	48		
Balance for official financing	48		
Bank advances (see Banking)			
Banking		Bank of England	Financial Statistics
Bank advances	60,62		
Deposits with the banking sector	60		
Eligible liabilities, reserve ratio, special deposits and supplementary deposits	62		
Bank of England's minimum lending rate (see Interest rates)			
Building societies		Central Statistical Office; Building Societies Association	Financial Statistics
Average prices of new dwellings on mortgage (see Housing)			
Net increase in shares and deposits	20		
New commitments for mortgages	20		
Recommended share rate (see Interest rates)			
Car registrations and production (see Motor vehicles)			
CBI Intentions Inquiry (see Fixed investment)			
Coal (see Fuel and power)			
Commercial vehicles, production (see Motor vehicles)			
Companies		Central Statistical Office	Financial Statistics
Appropriation account	58		
Financial companies			
Financial account, net acquisition of financial assets	56		
Saving	56,58		
Gross trading profits	58		
In relation to total domestic income	14		Monthly Digest of Statistics
Income	58		Financial Statistics
Industrial and commercial companies	58		
Financial account, net acquisition of financial assets	56		
Fixed investment	60		
Liquid assets, sources, and uses of funds	60		
Saving	56,58,60		
Security prices and yields (see Interest rates)			
Stock appreciation	58		
Taxes	58		
Consols (see Interest rates)			
Construction industry		Department of the Environment	Housing and Construction Statistics
Index of industrial production (see Industrial production)			
Orders received	18,20,30		
Output	30		
Consumers' expenditure		Central Statistical Office	Monthly Digest of Statistics
Component categories	10		
In relation to personal income	10		
In relation to total final expenditure	14		
Per capita	14		
Current balance (see Balance of payments)			

	Page	Source	Further statistics
Distributive trades			
Output	28	Central Statistical Office	Monthly Digest of Statistics
(see also Retail sales; Stocks)			
Domestic income (see Incomes)			
Dwellings (see Housing)			
Earnings (average)		Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
New series: Whole economy: GB	5,40		
Older series: Production industries and some services	40		
Manufacturing industry	40		
Effective exchange rate of sterling	44	HM Treasury	Financial Statistics
Electricity (see Fuel and power)			
Eligible liabilities (see Banking)			
Employed labour force	34,36	Central Statistical Office	Monthly Digest of Statistics
Employees in employment		Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
All industries and services	34,36		
Index of production industries, manufacturing industries	34		
Energy (see Fuel and power)			
Engineering industries		Department of Industry	Monthly Digest of Statistics; Trade and Industry
Sales and orders: total, home market and export	30		
Eurodollar 3-month rate (see Interest rate)			
Expenditure (see Total final expenditure)			
Exports			
Of goods		Department of Industry	Monthly Digest of Statistics; Trade and Industry
Unit value index	44		
Value	5,46		
Volume index	44		
Of goods and services	8,14	Central Statistical Office	Monthly Digest of Statistics
Of passenger cars, commercial vehicles (see Motor vehicles)			
Orders: engineering industries (see Engineering industries)			
Final expenditure (see Total final expenditure)			
Financial accounts, analysis by sector	56	Central Statistical Office	Financial Statistics
Financial companies (see Companies)			
Fixed investment			
By industrial and commercial companies (see Companies)			
By sector and by type of asset	16	Central Statistical Office	Monthly Digest of Statistics; Trade and Industry
Dwellings (see Housing)			
In relation to total final expenditure	8,14		Monthly Digest of Statistics
Manufacturing industry			
CBI Intentions Inquiry	18	Confederation of British Industry	Industrial Trends Survey
Contractors' orders for private industrial work	18	Department of the Environment	Housing and Construction Statistics
In plant and machinery, new buildings and work	18	Department of Industry	Monthly Digest of Statistics; Trade and Industry
Investment Intentions Inquiry	18		
Fuel and power			
Consumers' expenditure on fuel and light	10	Central Statistical Office	Monthly Digest of Statistics
Industrial production: index for gas, electricity and water industries	26	Department of Energy	Monthly Digest of Statistics; United Kingdom Energy Statistics; Energy Trends
Primary fuel input: total, coal and petroleum	24		
Public supply: gas and electricity	24		
Gas (see Fuel and power)			
General government consumption of goods and services	8,14	Central Statistical Office	Monthly Digest of Statistics
Gross domestic fixed capital formation (see Fixed investment)			
Gross domestic product	6	Central Statistical Office	Monthly Digest of Statistics
And components of final expenditure	8		
In relation to output	28		
In relation to stocks	22		
Per capita	14		
Gross national product *per capita*	14	Central Statistical Office	Not published elsewhere

	Page	Source	Further statistics
Gross trading profits of companies (see Companies)			
Hire purchase debt	12	Department of Industry	Monthly Digest of Statistics Trade and Industry Financial Statistics
Hours worked	36	Department of Employment	Monthly Digest of Statistics Department of Employment Gazette
Housing			
Average price of new dwellings mortgages approved	20	Department of the Environment Building Societies Association	Housing and Construction Statistics
Consumers' expenditure on housing	10	Central Statistical Office	Monthly Digest of Statistics
Fixed investment in dwellings	16,20		
Orders received by contractors for new houses	20	Department of the Environment Scottish Development Department	Monthly Digest of Statistics Housing and Construction Statistics
Starts and completions	20		
Imports			
Of goods		Department of Industry	Monthly Digest of Statistics Trade and Industry
Unit value index	44		
Value	5,46		
Volume index	44		
Of goods and services in relation to total final expenditure	8	Central Statistical Office	Monthly Digest of Statistics
Incomes		Central Statistical Office	Monthly Digest of Statistics
Company income (see Companies)			
Income from employment as a percentage of total domestic income (see also Wages; Earnings)	14		
Personal disposable income	10		
Per capita	14		
Personal income before tax	10		
Total domestic income	14		
Industrial and commercial companies (see Companies)			
Industrial production: index	5,26	Central Statistical Office	Monthly Digest of Statistics
By market sector	26		
By selected industries	26		
In relation to output	28		
In relation to stocks (manufacturing industries)	22		
Inter-bank 3-month rate (see Interest rates)			
Interest rates	64	Central Statistical Office Bank of England HM Treasury Building Societies Association *Financial Times* Institute of Actuaries Faculty of Actuaries	Financial Statistics
Bank of England's minimum lending rate			
Building Societies Association recommended share rate			
Consols			
Eurodollar 3-month rate			
Financial Times index of industrial ordinary shares			
Inter-bank 3-month rate			
Local authorities 3-month deposit rate			
London clearing banks base rate and 7 day deposits			
Sterling certificates of deposit			
Treasury bill yield			
US $ deposits in London			
Invisibles (see Balance of payments)			
Local authorities 3-month deposit rate (see Interest rates)			
London clearing banks rates (see Interest rates)			
Manufacturing industry (See Banking; Employees in employment; Fixed investment; Hours worked; Industrial production; Output per person employed; Stocks; Wage rates; Wages and salaries)			
Money stock	5,50,52	Bank of England	Financial Statistics
Velocity of circulation	50	Central Statistical Office	

	Page	*Source*	*Further statistics*
Motor vehicles			
Consumers' expenditure on cars and motor-cycles	10	Central Statistical Office	Monthly Digest of Statistics
New car registrations	5,12	Department of the Environment Department of Industry	Monthly Digest of Statistics Trade and Industry
Production of passenger cars and commercial vehicles: total and for export	32	Department of Industry	
National disposable income	6	Central Statistical Office	
Net acquisition of financial assets	56	Central Statistical Office	Financial Statistics
Notes and coin in circulation with the public (see Banking)			
Official reserves (see Balance of payments)			
Orders received			
By construction industry (see Construction)			
By contractors for private industrial work	18	Department of the Environment	Housing and Construction Statistics
By engineering industries (see Engineering)			
Output			
By construction industry (see Construction)			
By engineering industries (see Engineering)			
Index numbers by industry groups	28	Central Statistical Office	Monthly Digest of Statistics
Per person employed	34		
Overseas trade (see Exports; Imports; Visible trade)			
Personal disposable income (see Incomes)			
Personal income before tax (see Incomes)			
Petroleum (see Fuel and power)			
Population			
Estimates *per capita*, income, product and spending	14	Central Statistical Office	Not published elsewhere
Working	36	Department of Employment	Monthly Digest of Statistics Department of Employment Gazette
Prices			
Average price of new dwellings on mortgage (see Housing)			
Pensioner price indices	42	Department of Employment	Department of Employment Gazette
Retail prices index	5,42		Monthly Digest of Statistics Department of Employment Gazette
Wholesale prices index; input and output	5,42	Department of Industry	Monthly Digest of Statistics Trade and Industry
World commodity prices index	44	Department of Industry	Trade and Industry
Private sector			
Financial account, net acquisition of financial assets	56	Central Statistical Office	Financial Statistics
Gross fixed investment	14,16		Monthly Digest of Statistics
Housing starts and completions (see Housing)			
Production (see Industrial production; Motor vehicles)			
Profits (see Companies)			
Public sector		Central Statistical Office	Financial Statistics
Borrowing requirement	52,54		
Expenditure	54		
Financial account, net acquisition of financial assets	56		
Fixed investment	14,16		
Housing starts and completions (see Housing)			
Receipts	54		
Purchasing power of the pound	42	Central Statistical Office	Not published elsewhere
Reserve ratio (see Banking)			

	Page	*Source*	*Further statistics*
Retail prices index (see Prices)			
Retail sales			
Volume index numbers	5,12	Department of Industry	Monthly Digest of Statistics; Trade and Industry
Value index numbers	12		
Ratio of distributors' stocks to retail sales	22	Central Statistical Office; Department of Industry	
Regional unemployment rates (see Unemployment)			
Salaries (see Wages and salaries)			
Saving, company (see Companies)			
Savings ratio, personal	10	Central Statistical Office	Monthly Digest of Statistics
Special deposits (see Banking)			
Steel production and consumption	32	Department of Industry	Monthly Digest of Statistics
Sterling certificates of deposit (see Interest rates)			
Sterling effective exchange rate	5,44	HM Treasury	Financial Statistics
Stock appreciation, company sector (see Companies)			
Stocks			
Changes by industry groups	22	Central Statistical Office	Monthly Digest of Statistics; Trade and Industry
Ratios: total stocks to GDP(E), manufactured stocks to manufacturing production, distributors' stocks to retail sales	22		
Total changes in relation to GDP(E)	8		Monthly Digest of Statistics
Supplementary deposits (see Banking)			
Taxes		Central Statistical Office	Financial Statistics
On capital	54		
On income	54		
On expenditure	54		
Payment of taxes by companies	58		
Terms of trade	44	Department of Industry	Monthly Digest of Statistics; Trade and Industry
Total domestic income (see Incomes)			
Total final expenditure on goods and services	8,14	Central Statistical Office	Monthly Digest of Statistics
Trade competitiveness index	44	HM Treasury	Not published elsewhere
Treasury bill yield (see Interest rates)			
Unemployment		Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
Regional unemployment rates	38		
Total unemployed; unemployed excluding school-leavers and adult students; including school-leavers	5,36		
Unfilled vacancies	5,36	Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
Unit values of exports and imports (see Exports; Imports)			
Vacancies notified and remaining unfilled (see Unfilled vacancies)			
Velocity of circulation (see Money stock)			
Visible trade (see also Exports; Imports)	5,44,46	Central Statistical Office; Department of Industry	Monthly Digest of Statistics; Trade and Industry
Wage rates, basic weekly	40	Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
Wages and salaries			
In relation to personal income before tax	10	Central Statistical Office	Monthly Digest of Statistics
Per unit of output	40	Central Statistical Office; Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
Wholesale prices index (see Prices)			
Working population (see Population)			

CENTRAL STATISTICAL OFFICE

Blue Book 1978

National Income and Expenditure 1967-77, prepared by the Central Statistical Office, contains detailed estimates of national product, income and expenditure for the United Kingdom. The 1978 edition covers mainly the years 1967-1977. Information is included on personal income and expenditure, company income and its appropriation, public corporations, central government and local authorities, investment and capital stock and other subjects.

It also includes newly compiled estimates of output and expenditure at constant prices, re-based on the year 1975.

Price £4.95 ISBN 0 11 630178 3

Pink Book 1978

This publication, ***United Kingdom Balance of Payments 1967-77,*** prepared by the Central Statistical Office, is designed as a standard reference for balance of payments statistics over a long run of years up to 1977. In addition to summary tables showing the general balance of payments for the United Kingdom, it contains 14 sections of tables each with comprehensive notes and definitions. Some of these expand the detail for individual sectors of the accounts; others deal with associated areas such as the financing of private investment and its overall effects, the City's overseas earnings etc.

Price £3.95 ISBN 0 11 630177 5

These books are obtainable from any Government bookshop (see addresses on back cover) or through booksellers.

CENTRAL STATISTICAL OFFICE

Studies in Official Statistics No 31

Regional Accounts

This booklet, recently published by the Government Statistical Service contains up-to-date information on the data sources and methods used in estimating gross domestic product, personal incomes and components of final expenditure for Scotland, Wales, Northern Ireland and the eight economic planning regions of England. A Continental Shelf region is also distinguished, this includes the profits of the UK offshore oil and gas activity. Certain of the estimates are further subdivided within the South East region to distinguish the Greater London area.

The booklet provides an essential background for regional economists and others concerned with the interpretation of the published data in the regional accounts. The concepts adopted for the individual items within the accounts, the limitations of the data and methods used to produce the estimates are fully discussed.

Price £1.75 net

ISBN 0 11 630161 9

Obtainable from

Her Majesty's Stationery Office

at addresses on back cover or through booksellers

Printed in England for Her Majesty's Stationery Office
by Bemrose & Sons Limited, Derby.

Dd 595942 K33 11/73

ISBN 0 11 724990 4
ISSN 0013-0400

Articles published in *Economic Trends*

National income and expenditure. An article containing quarterly figures is published every January, April, July and October

UK balance of payments. An article showing quarterly figures is published every March, June, September and December

Cyclical indicators for the UK economy. An article showing individual indicators is published every February, May, August and November

Other articles

1976

November	United Kingdom regional accounts Trends in UK energy prices International comparisons of taxes and social security contributions 1969-74
December	Effects of taxes and benefits on household income 1975 Economic prospects to end-1977

1977

January	A review of the effects of taxes and benefits on household incomes 1961-1975
February	Employment in the public and private sectors 1971-75
March	Government income and expenditure in the national income accounts: a change in presentation Note on Budget forecast
April	Income distribution in the United Kingdom 1974/75
May	Improvements to the engineering series for the index of industrial production Department of Industry survey of company liquidity: comparison with the financial accounts Public sector debt
June	Regional accounts: preliminary estimates for 1975 Interests, profits and dividends in the balance of payments
July	Developments in the national accounts
August	The home and export performance of United Kingdom industries
September	Ownership of company shares: a new survey
October	Additional tables on national income and expenditure Economic measures: 26 October 1977 Economic prospects to the end of 1978
November	Regional accounts: further estimates for 1975, including regional fixed investment The redistributive effect of subsidies on households
December	Developments in the statistics of the distribution of income Employment analysed by sector and industry, 1971-76 International comparisons of taxes and social security contributions, 1969-75

1978

January	Personal sector balance sheets United Kingdom official and private flows to developing countries
February	The effects of taxes and benefits on household income, 1976 Recent trends in sales of land and buildings
March	The changing problems of economic management Rebasing the national accounts — why and how and the effects The stock of consumer durables in the United Kingdom
April	The nation's food — 40 years of change The Budget: 11 April 1978 The economic outlook to mid-1979
May	Trends in the distribution of income The distribution of income in the United Kingdom 1975/76
June	Regional accounts: preliminary estimates for 1976 Summary input-output tables for 1973
July	New price indices for construction output statistics
August	Some problems in assessing unemployment trends
September	Progress report on the construction and use of commodity balances within the national accounts
October	Additional tables on national income and expenditure

For articles published in earlier issues reference should be made to:

NEW CONTRIBUTIONS TO ECONOMIC STATISTICS

Studies in Official Statistics

Sixth series November 1969-November 1971 (*No. 19*) (HMSO) May 1972 (Price 80p net)
Seventh series December 1971-December 1973 (*No. 24*) (HMSO) March 1975 (Price £2.65 net)
Eighth series January 1974-February 1975 (*No. 28*) (HMSO) February 1977 (Price £4.75 net)
Ninth series March 1975-December 1976 (*No. 33*) (HMSO) October 1977 (Price £5.25 net)

A limited number of offprints of recent articles are available and copies may be obtained from the Publications Unit, Central Statistical Office, Government Offices, Great George Street, London, SW1P 3AQ
Telephone: 01-233 7261

HER MAJESTY'S STATIONERY OFFICE

Government Bookshops
49 High Holborn, London WC1V 6HB
13a Castle Street, Edinburgh EH2 3AR
41 The Hayes, Cardiff CF1 1JW
Brazennose Street, Manchester M60 8AS
Southey House, Wine Street, Bristol BS1 2BQ
258 Broad Street, Birmingham B1 2HE
80 Chichester Street, Belfast BT1 4JY

Government Publications are also available through booksellers

£1.95 net
(Annual Subscription including annual supplement and postage, £29.46)